Venturi Ventures Inc.

CONDENSED INTERIM FINANCIAL STATEMENTS

March 31, 2015 (unaudited)

Venturi Ventures Inc.

Condensed Interim Financial Statements March 31, 2015 (unaudited)

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Notice of No Auditor Review of Condensed Interim Financial Statements

The condensed interim statements of financial position of Venturi Ventures Inc. as at March 31, 2015 and the statement of operations, comprehensive loss and deficit and cash flows for the three months ended March 31, 2015 and 2014 have not been reviewed by the Company’s auditors, Deloitte LLP. These financial statements are the responsibility of the Company’s management and have been reviewed and approved by the Company’s Audit Committee and Board of Directors.

Venturi Ventures Inc.

Condensed Interim Statements of Financial Position

	(Unaudited) March 31, 2015	December 31, 2014
	$	$
Assets		
Current assets		
Cash and cash equivalents (Note 6)	**319,705**	**386,697**
Other receivables	**19,938**	**14,737**
Deferred transaction costs (Note 1)	**77,551**	**69,590**
Loan to Medna Biosciences (Note 7)	**188,409**	**182,868**
	605,603	**653,892**
Liabilities		
Current liabilities		
Trade and other payables	**55,871**	**95,562**
Deferred revenue (Note 9)	**-**	**1,294**
	55,871	**96,856**
Shareholders' equity		
Common shares (Note 8a)	**18,878,590**	**18,878,590**
Reserve for equity settled share-based transactions	**2,732,080**	**2,732,080**
Deficit	**(21,060,938)**	**(21,053,634)**
	549,732	**557,036**
	605,603	**653,892**

Nature of business and going concern (Note 1)

Approved by the Board

"Bob Rai"
______________________________ Director

"James Heppell"
______________________________ Director

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

Venturi Ventures Inc.

Condensed Interim Statements of Operations, Comprehensive Loss and Deficit (unaudited)

	Three months ended March 31,	
	2015	2014
	$	$
Revenue (Note 9)	1,294	3,710
Expenses		
Accounting, tax and audit fees	12,136	5,313
Bank charges	123	55
Filing fees	2,231	5,696
Legal and patent fees	235	285
Management fees	-	3,000
Rent	1,500	1,500
Travel and other expenses	-	45
	16,225	15,894
Loss from operations	(14,931)	(12,184)
Other income (expenses)		
Foreign exchange gain	1,171	508
Interest income	6,456	5,156
Other income (Note 10)	-	2,067
	7,627	7,731
Net loss and comprehensive loss for the period	(7,304)	(4,453)
Deficit, beginning of period	(21,053,634)	(20,965,556)
Deficit, end of period	(21,060,938)	(20,970,009)
Basic and diluted loss per share	(0.001)	(0.001)
Weighted average number of basic and diluted common shares outstanding	6,877,944	6,877,944

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

Venturi Ventures Inc.

Condensed Interim Statements of Cash Flows (unaudited)

	Three months ended March 31,	
	2015	**2014**
	$	**$**
Operating activities		
Net loss and comprehensive loss for the period	**(7,304)**	**(4,453)**
Items not involving cash		
Amortization of deferred revenue	**-**	**(3,710)**
Interest Income (Note 7)	**(5,541)**	**-**
	(12,845)	**(8,163)**
Changes in non-cash working capital		
Other receivables	**(5,201)**	**(3,067)**
Trade and other payables	**(47,652)**	**(2,876)**
Deferred revenue	**(1,294)**	**-**
	(54,147)	**(5,943)**
Net decrease in cash and cash equivalents	**(66,992)**	**(14,106)**
Cash and cash equivalents, beginning of period	**386,697**	**673,786**
Cash and cash equivalents, end of period	**319,705**	**659,680**
Non-cash transactions		
Deferred transaction costs (Note 1)	7,961	-
Trade and other payables	(7,961)	-

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

Venturi Ventures Inc.

Condensed Interim Statement of Changes in Equity (unaudited)

	Number	Common shares Issued and outstanding Amount $	Reserve for equity settled share-based transactions $	Deficit $	Total shareholders' equity $
Balance, January 1, 2014	6,877,944	18,878,590	2,726,436	(20,965,556)	639,470
Net loss and comprehensive loss	-	-	-	(4,453)	(4,453)
Balance, March 31, 2014	6,877,944	18,878,590	2,726,436	(20,970,009)	635,017
Share-based payments (Note 8b)	-	-	5,644	-	5,644
Net loss and comprehensive loss	-	-	-	(83,625)	(83,625)
Balance, December 31, 2014	6,877,944	18,878,590	2,732,080	(21,053,634)	557,036
Net loss and comprehensive loss	-	-	-	(7,304)	(7,304)
Balance, March 31, 2015	**6,877,944**	**18,878,590**	**2,732,080**	**(21,060,938)**	**549,732**

1. Nature of business and going concern

Venturi Ventures Inc. (the "Company") was formerly a Canadian medical device company that was engaged in the development of non-invasive medical technology and diagnostic devices based on near-infrared spectroscopy.

On October 9, 2014, the Company announced that it had entered into a definitive agreement with Medna Biosciences Inc. ("Medna") pursuant to which the Company will acquire, by way of a court-approved plan of arrangement under the Business Corporations Act (British Columbia) (the "Arrangement"), all of the outstanding securities of Medna.

The completion of the Arrangement is subject to customary closing conditions, including the receipt of any required regulatory approvals, as well as a consolidation of the Company's common shares (on a 5:1 basis, with other convertible securities adjusted accordingly) and Medna completing an equity financing of at least $3,000,000 prior to the effective date of the Arrangement.

As part of the Arrangement, Medna shareholders will exchange all of the issued and outstanding common shares of Medna for post-consolidation common shares of the Company on a one-to-one basis. Medna currently has 18 million common shares outstanding but will be issuing additional shares pursuant to agreed to financings Medna intends to carry out prior to the closing of the Arrangement.

The Supreme Court of British Columbia and the affirmative vote of 66 2/3% of the Company's shareholders voting at the shareholders meeting will be required to approve the Arrangement.

As at March 31, 2015, the Company had incurred legal and professional costs associated with the transaction, in the amount $77,551 (December 31, 2014 - $69,590).

The unaudited condensed interim financial statements have been prepared under the assumption that the Company will be able to continue as a going concern and realize its assets and discharge its liabilities in the course of business rather than through a process of forced liquidation. Continued operations of the Company are dependent on the Company's ability to receive continued financial support from its shareholders, to develop or acquire a sustainable operating business, and to obtain additional equity, all of which are subject to uncertainty. These conditions indicate the existence of material uncertainties that may cast doubt about the Company's ability to continue as a going concern.

The Company's common shares trade under the symbol "VVV" on the TSX Venture Exchange. The Company is incorporated and domiciled in Canada and is governed by the Company's Act of British Columbia.

The Company's head office is Suite 410 - 221 West Esplanade, North Vancouver, British Columbia, Canada, V7M 3J3.

2. Significant accounting policies and bases of preparation

a) *Basis of measurement*

These unaudited condensed interim financial statements have been prepared in accordance with International Financial Reporting Standard 34, Interim Financial reporting ("IAS34") as issued by the International Accounting Standards Board ("IFRS"). "). Accordingly, certain disclosures included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the IASB have been condensed or omitted and these unaudited condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2014.

2. Significant accounting policies and bases of preparation (continued)

The preparation of its unaudited condensed financial statements in conformity with IAS 34 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could significantly differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. The critical judgements and estimates applied in the preparation of the Company's unaudited condensed interim financial statements are consistent with those applied and disclosed below:

b) Cash and cash equivalents

Cash and cash equivalents consist of amounts held in banks and short-term investments with maturities at point of purchase of 90 days or less or are cashable after 30 days at the option of the Company. Interest from cash and cash equivalents is recorded on an accrual basis.

c) Trade and other payables

The bills that remain outstanding for greater than three years which we deem improbable of requiring payment and there were no efforts to collect from applicable suppliers and vendors ("legacy payables") will be reversed into income as a recovery.

d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably; and,
- it is probably that the economic benefits associated with the transaction can be measured reliably.

Product and license payments received in advance of the applicable date of revenue recognition are recorded as deferred revenue and amortized on a straight-line basis over the life of the agreement.

e) Deferred transaction costs

Deferred transaction costs consist of legal and professional costs related to the Arrangement with Medna (Note 1).

f) Share-based payments

The Company grants discretionary stock options for the purchase of common shares.

The stock options typically vest over set periods of time. Each vesting tranche in an award is considered a separate award with its own vesting period and grant date fair value. The fair value of each tranche is measured at the date of grant using the Black-Scholes option pricing model.

Compensation expense is recognized over the tranche's vesting period based on the number of awards expected to vest, by increasing the reserve for equity settled share based transactions. At each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest, is computed. The movement in cumulative expense is recognized in the statement of operations with a corresponding entry within equity, against the reserve for equity settled share-based transactions. No expense is recognized for awards that do no ultimately vest.

2. Significant accounting policies and bases of preparation (continued)

g) Income taxes

Current taxes payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The entity's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that table profits will be available against which those deductible temporary differences can be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the assets are realized or the liability is settled based on the tax rates that have been enacted or substantially enacted at the date of the statement of financial position.

h) Net loss per common share

Basic loss per share is computed by dividing net loss available (attributable) to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted loss per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on loss per share. The dilutive effect of outstanding securities, excluding options, is reflected in diluted loss per share by application of the treasury stock method.

i) Financial instruments

Financial assets

The Company's financial assets are comprised of cash and cash equivalents and other receivables. All financial assets are initially recorded at fair value plus directly attributable transaction costs except for fair value through profit or loss where costs are expensed and designated upon inception into one of four categories: at fair value through profit or loss, held-to maturity, available-for-sale, or loans and receivables.

Subsequent to initial recognition, the financial assets are measured in accordance with the following:

- Financial assets classified as fair value through profit or loss are measured at fair value. All gains and losses resulting from changes in their fair value are included in the net income / loss in the period in which they arise.
- Held-to-maturity investments, and loans and receivables are initially measured at fair value and subsequently measured at amortized cost. Amortization of premiums or discounts and transaction costs are amortized into net income / loss, using the effective interest method less any impairment.
- Available-for-sale financial assets are measured at fair value, with unrealized gains and losses recorded in other comprehensive income until the asset is sold, at which time they will be recorded in net income / loss.
- Significant or prolonged declines in the fair value of available-for-sale financial assets are recorded in net income / loss.

2. Significant accounting policies and bases of preparation (continued)

i) Financial instruments (continued)

- Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses, with gains and losses recognized in net income / loss in the period that the asset is derecognized or impaired. Cash and cash equivalents and other receivables are classified as loans and receivables.

Derivatives embedded in other financial instruments or non-financial contracts (the "host instrument") are treated as separate derivatives with fair value changes recognized in net income / loss when their economic characteristics and risks are not clearly and closely related to those of the host instrument, and the combined instrument or contract is not held for trading. Free-standing derivatives that meet the definition of an asset or liability are measured at their fair value and reported in the Company's financial statements. There were no embedded or freestanding derivatives identified in a review of the Company's contracts.

The Company assesses at each reporting period date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset or the group of financial assets have been negatively impacted.

Financial liabilities

The Company's financial liabilities are comprised of trade and other payables. All financial liabilities are initially recorded at fair value and designated upon inception as fair value through profit or loss or other liabilities.

Subsequent to initial recognition, the financial liabilities are measured in accordance with the following:

- Financial liabilities classified as other liabilities are initially recognized at fair value net of any transaction costs. After initial recognition, other liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's trade and other payables are classified as other liabilities. Trade and other payable amounts are unsecured and are usually paid within 30 days of recognition.
- Financial liabilities classified as fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as fair value through profit or loss. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as fair value through profit or loss are recognized through the net income / loss. At March 31, 2015 and December 31, 2014, the Company had not classified any financial liabilities as fair value through profit or loss.

The Company's unaudited condensed interim results are not necessarily indicative of its results for a full year.

The unaudited condensed interim financial statements are presented in Canadian dollars at historical cost, except for certain financial assets and financial liabilities recorded at fair value as outlined in Note 11.

3. Critical accounting judgments

The critical judgments that the Company's management has made in the process of applying the Company's accounting policies, apart from those involving estimations (Note 4), that have the most significant effect on the amounts recognized in the Company's financial statements are the Company's ability to continue as a going concern (Note 1) and the de-recognition of legacy payables (Note 10).

4. Key sources of estimation uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are accounted for prospectively.

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities are discussed below:

Share-based payments (Note 8b)

In determining the fair value of share-based payments, the Company uses the Black-Scholes option pricing model which requires the input of highly subjective assumptions such as the expected life of the options, estimates of interest rates, share price volatility, forfeiture rate, and dividend rate that can materially affect the fair value estimate.

Fair value of financial instruments (Notes 7 and 11)

Where the fair value of financial assets and financial liabilities recorded in the statements of financial position cannot be derived from active markets, they are determined using valuation techniques including discounted cash flow models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Significant management judgment is necessary. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

5. Accounting Standards issued for adoption in future periods

The following IFRS pronouncements have been issued but are not yet effective:

IFRS 9 - *Financial Instruments* - The standard is effective for annual reporting periods beginning January 1, 2018 for public entities. The Company is assessing the impact of this Standard.

IFRS 15 - *Revenue from Contracts with Customers* - The standard is effective for annual reporting periods beginning after December 15, 2017 for public entities with early adoption permitted. Entities have the option of using either a full retrospective or a modified retrospective approach to adopt the guidance. The Company is assessing the impact of this Standard.

6. Cash and cash equivalents

	March 31, 2015	December 31, 2014
	$	$
Cash in bank	**14,705**	21,697
Cash equivalents	**305,000**	365,000
	319,705	386,697

7. Loan to Medna Biosciences Inc.

The Company has advanced an interest-free loan to Medna, a related party of the Company, amounting to $200,000, under the terms of the Arrangement agreement dated October 28, 2014. Medna will repay the loan on the earlier of thirty days following the date of the closing of the transaction and three months following the termination of the Arrangement agreement (Note 1). In consideration for the loan, Medna provided the Company, a general security agreement representing a security interest in all the present and after-acquired personal property and undertaking of Medna, which will rank in priority to all other security interests granted by Medna.

At inception, the loan is presented at amortized cost discounted to fair value using an effective interest rate of 12%, which is comparable to loans held by similar corporations. Interest will accrete on the loan through to the repayment date which is expected to be on or before October 1, 2015.

	2015
	$
Balance as at January 1, 2015	**182,868**
Accretion	**5,541**
Balance as March 31, 2015	**188,409**

8. Common shares

(a) Authorized

	2015	2014
Unlimited number of common shares, without par value	**6,877,944**	6,877,944

(b) Stock options

The Company adopted a rolling stock option plan (the "Plan"), approved by the Company's shareholders on June 7, 2006, and subsequently approved by the TSX Venture Exchange, which reserves for issuance under the Plan options to purchase a maximum of 10% of the issued and outstanding shares of the Company.

		March 31, 2015		December 31, 2014
	Options to purchase common shares	**Weighted average exercise price**	Options to purchase common shares	Weighted average exercise price
	$		$	
Outstanding, beginning of period	**688,000**	**0.11**	650,000	0.11
Granted	**-**	-	-	-
Expired	**-**	-	-	-
Outstanding and exercisable, at end of period	**688,000**	**0.11**	650,000	0.11

For the period ended March 31, 2015, the Company recorded $nil (2014 - $nil) of compensation expense related to stock options. The Company uses the Black-Scholes option pricing model to estimate the fair value of the options at each grant date. stock options are valued with expected lives of 10 years, a risk free discount rate of 2.17% (2014 - 2.17%), a volatility rate of 161% (2014 - 161%), a dividend rate of 0%, and a forfeiture rate of 0%. The weighted average remaining contractual life of the outstanding stock options at March 31, 2015 is approximately 7 years (2014 - 7 years) and are anti-dilutive.

9. Revenue

For the period ended March 31, 2014, the Company recognized revenue of $1,294 (March 31, 2014 - $3,710) which relates to licence/sublicense revenue amortized using the straight line basis over the term of the following agreements:

All licencing fee income has now been recognized as revenue, with no amounts remaining in deferred revenue as at March 31, 2015 (December 31, 2014 - $1,294).

10. Other income

During the period ended March 31, 2015, the Company recorded $nil (2014 - $2,067) in other income relating to historically disputed trade and other payables that management deemed to be improbable of requiring payment and therefore derecognized these amounts as liabilities of the Company as at March 31, 2015 (Note 2c).

11. Financial risk management

(a) Fair value

The Company's financial instruments recognized on the statements of financial position consist of cash and cash equivalents, other receivables, loan to Medna Biosciences, and trade and other payables. The fair values of these financial instruments, approximate their carrying values due to their short-term maturity. The Company has classified financial instruments as follows:

Financial Assets and Liabilties		**March 31, 2015**	December 31, 2014
Financial Assets		**$**	$
Measured at fair value			
Cash and cash equivalents	Fair Value through profit and loss	319,705	386,697
Measured at amortised cost			
Loan receiveable	Loans and receivables	188,409	182,868
Other receivables	Loans and receivables	19,938	9,277
Financial Liabilities			
Measured at amortized cost			
Accounts payable and accrued liabilities	Other financial liabilities	55,871	95,562

The Company has exposure to the following risks from its use of financial instruments: credit, interest rate, currency and liquidity risk. The Company reviews its risk management framework on a quarterly basis and makes adjustments as necessary.

(b) Credit risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. The financial instruments that are exposed to concentrations of credit risk consist of cash and cash equivalents and the loan to Medna Biosciences.

The company attempts to mitigate the risk associated with cash and cash equivalents by dealing only with major Canadian financial institutions with good credit ratings. The company's attempts to mitigate risk associated with the loan receivable by making an allowance for impairment when a loss event which evidences a reduction in the recoverability of the cash flows is identified. The maximum exposure of the loan to credit risk is the full balance of $200,000.

(c) Interest rate risk

Interest rate risk is the risk that the fair values and future cash flows of the Company will fluctuate because of changes in market interest rates. The Company believes that its exposure to interest rate risk is not significant.

(d) 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 currently settles all of its financial obligations out of cash and cash equivalents. The ability to do so relies on the Company maintaining sufficient cash and cash equivalents in excess of anticipated needs. The Company has significantly reduced expenditures and headcount as the Board of Directors continues the strategic review process in order to preserve cash and continue to meet its financial obligations. The Company has a history of operating losses and has no significant source of revenue. As at March 31, 2015, the Company's liabilities consist of trade and other payables that have contracted maturities of less than one year.

12. Managing capital

The Company's objectives, when managing capital, are to safeguard cash as well as maintain financial liquidity and flexibility in order to preserve its ability to meet financial obligations and deploy capital to grow its businesses.

The Company's financial strategy is designed to maintain a flexible capital structure consistent with the objectives stated above and to respond to business growth opportunities and changes in economic conditions. In order to maintain or adjust its capital structure, the Company may issue shares or issue debt (secured, unsecured, convertible and/or other types of available debt instruments).

The Company is not subject to any externally imposed capital requirements.

13. Related party disclosures

(a) Key management personnel

Key management personnel, which consists of the Company's officers and directors, received the following compensation for the periods ended March 31, 2015 and 2014:

	2015	2014
	$	$
Management and consulting fees	**-**	3,000
Accounting fees	**5,881**	4,500
	5,881	7,500

As at March 31, 2015, the Company has a payables balance outstanding of $6,438 (2014 - $1,470) to a company with a common officer for accounting fees.

(b) Other related parties

As at March 31, 2015, the Company has a loan outstanding of $200,000 to Medna, which shares a director and significant shareholder with the Company.