Iocaste Ventures Inc.
(A Capital Pool Company)

Condensed Interim Financial Statements

For the period ended December 31, 2021

(In Canadian Dollars)

IOCASTE VENTURES INC.

NOTICE OF NO AUDITOR REVIEW OF UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim consolidated financial statements of the Corporation have been prepared by and are the responsibility of the Corporation's management and approved by the Audit Committee and the Board of Directors of the Corporation (the "Board").

The Corporation's independent auditor has not performed a review of these unaudited condensed interim consolidated financial statements. These unaudited interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS")

March 1, 2022

Iocaste Ventures Inc
Condensed Interim Statement of Financial Position
As at December 31, 2021
(in Canadian Dollars)

	December 31, 2021 (unaudited)	September 30, 2021 (audited)
Assets		
Cash	$ 564,434	$ 385,000
Deferred financing costs	-	15,000
Total assets	**564,434**	**400,000**
Liabilities		
Accrued liabilities	20,440	32,500
Shareholders' equity		
Share capital (Note 3)	624,437	396,000
Options reserve (Note 4)	109,000	-
Accumulated deficit	(189,443)	(28,500)
Total shareholders' equity	543,994	367,500
Total liabilities and shareholders' equity	**$ 564,434**	**$ 400,000**

Nature of business and continuance of operations (Note 1)
Subsequent Events (Note 8)

Approved and authorized for issuance by the Board of Directors on March 1, 2022:

Approved by the Board **"Lorne Sugarman"** Director **(Signed)** **"Michael Perkins"** Director **(Signed)**

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

Ioacaste Ventures Inc
Condensed Interim Statement of Loss and Comprehensive Loss
For the Three Months Ended December 31, 2021
(in Canadian Dollars)

		Three months ended December 31, 2021		**Three months ended December 31, 2020**
Expenses				
Professional fees	$	50,915	$	-
Share-based compensation		110,000		-
Administrative fees		28		-
Total expenses		160,943		-
Net loss and comprehensive loss	**$**	**(160,943)**	**$**	**-**
Net loss per share - basic and diluted	$	(0.01)	$	-
Weighted average number of shares outstanding - basic and diluted		10,544,674		-

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

Iocaste Ventures Inc
Statement of Changes in Cash Flows
For the Three Months Period Ended December 31
(in Canadian Dollars)

		2021		2020
Cash provided by (used in):				
Operating activities				
Net loss	$	(160,943)	$	-
Share-based compensation		110,000		-
Change in deferred financing costs		(15,000)		-
Change in accrued liabilities		12,060		-
Cash used in operating activities		(53,883)		-
Financing Activities				
Share subscription, net of issuance costs		233,317		-
Cash provided by financing activities		233,317		-
Net change in cash		179,434		-
Cash, beginning of period		385,000		-
Cash, end of period	$	564,434	$	-

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

Iocaste Ventures Inc
Statement of Changes in Shareholders' Equity
For the Period from the Date of Incorporation (July 6, 2021) to December 31, 2021
(in Canadian Dollars)

	Number of shares	Share capital	Options reserve	Accumulated deficit	Shareholders' equity
Share subscription (Note 3)	8,000,000	$ 400,000	$ -	$ -	$ 400,000
Share issuance costs	-	(4,000)	-	-	(4,000)
Share-based compensation (Note 4)	-	-	-	-	0
Net loss	-	-	-	(28,500)	(28,500)
Balance, September 30, 2021	8,000,000	396,000	-	(28,500)	367,500
Share subscription (Note 3)	3,000,000	300,000	-	-	300,000
Share issuance costs	-	(72,563)	-	-	(72,563)
Share-based compensation (Note 4)	10,000	1,000	109,000	-	110,000
Net loss	-	-	-	(160,943)	(160,943)
Balance, December 31, 2021	11,010,000	$ 624,437	$ 109,000	$ (189,443)	$ 543,994

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

1. NATURE OF BUSINESS AND CONTINUANCE OF OPERATIOINS

Iocaste Ventures Inc. (the "Corporation") was incorporated under the *Business Corporations Act* (British Columbia) on July 6, 2021 and is a Capital Pool Company as defined in the Policy 2.4 of the TSX Venture Exchange (the “Exchange”). The principal business of the Corporation is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT"), as defined under the policies of the Exchange. The Corporation’s continuing operations is to identify and evaluate potential acquisitions of businesses, and once identified and evaluated, to negotiate an acquisition thereof or participation therein subject to receipt of regulatory and, if required, shareholders’ approval.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to $3,000 per month may be used for reasonable general and administrative expenses of the Corporation. These restrictions apply until completion of a QT by the Corporation as defined under the policies of the Exchange.

These financial statements are prepared on the basis that the Corporation will continue as a going concern, which assumes that the Corporation will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. The continuation of the Corporation is dependent upon the continuing financial support of shareholders and the completion of a QT.

The registered records and head office of the Issuer is located at 200, 305 10 Avenue SE, Calgary, Alberta T2G 0W2

On March 1, 2022, the Board of Directors approved the financial statements for the three months ended December 31, 2021.

The global outbreak of COVID-19 (coronavirus) has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 pandemic may have on the Corporation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

For comparative purposes, the Corporation has no comparative period prior to December 30, 2021 as the Corporation came into inception on July 6, 2021 with the fiscal period ended September 30, 2021.

2. SIGNIFICANT ACCOUNTING POLICIES – continued

Use of Estimates and Judgements

The preparation of these financial statements in conformity with IFRS requires management to make certain estimates, judgements and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

Basis of Presentation

The financial statements are presented in Canadian dollars ("CAD"), which is the Corporation's functional and presentation currency. The financial statements are prepared on a historical cost basis except for certain financial instruments classified as fair value through profit or loss ("FVPTL"), which are stated at their fair value. The accounting policies have been applied consistently throughout the entire period presented in these financial statements.

Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity.

Basic and Diluted Loss per Share

Basic loss per share is computed by dividing the net loss applicable to common shares by the weighted average number of common shares outstanding for the relevant period.

Diluted loss per share is computed by dividing the net loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted.

Financial Instruments

Recognition

The Corporation recognizes financial assets and financial liabilities on the date the Corporation becomes a party to the contractual provisions of the instruments.

Classification

The Corporation classifies its financial assets and financial liabilities in the following measurement categories: i) those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss, and ii) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (irrevocable election at the time of recognition).

For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income.

2. SIGNIFICANT ACCOUNTING POLICIES – continued

The Corporation reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Financial Instruments – continued

The Corporation has implemented the following classifications:

Cash held in trust is classified as an asset at fair value and any period change in fair value is recorded in profit or loss.

Accrued liabilities are classified as other financial liabilities and measured at amortized cost using the effective interest rate method.

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments or principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income (irrevocable election at the time of recognition).

Additional fair value measurement disclosure includes classification of financial instrument fair values in a fair value hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements which are as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

Cash held in trust is a level 1 financial instrument measured at fair value on the statement of financial position.

Income Taxes

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the intention is to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(in Canadian Dollars)

Deferred income tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognized for all taxable temporary differences and deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to be recovered or settled. Deferred tax assets are recognized to the extent that realization of such benefits is probable.

Cash held in trust

Cash held in trust is comprised of cash held in trust with the Corporation's lawyers.

3. SHARE CAPITAL

Authorized - Unlimited common shares

Issued	#	$
Common shares issued	8,000,000	400,000
Cost of issuance	-	(4,000)
Balance, September 30, 2021	8,000,000	396,000
Common shares issued	3,000,000	300,000
Cost of issuance	-	(72,563)
Share-based compensation	10,000	1,000
Balance, December 31, 2021	**11,010,000**	**624,437**

Private Placements

For the period from July 6, 2021 to December 31, 2021, the Corporation authorized the following private placements:

(i) On July 6, 2021, the Corporation authorized the sale and issuance of 100 common shares at a price of $0.05 per share for gross proceeds of $5.00;
(ii) On July 21, 2021, the Corporation authorized the sale and issuance of 6,499,900 common shares at a price of $0.05 per share for gross proceeds of $324,995; and
(iii) On July 26, 2021, the Corporation authorized the sale and issuance of 1,500,000 common shares at a price of $0.05 per share for gross proceeds of $75,000.

Initial Public Offering

On November 10, 2021, the Corporation authorized the sale and issuance of 3,000,000 common shares at a price of $0.10 per share for gross proceeds of $300,000.

Escrowed Common Shares

Upon completion of the Corporation's initial public offering, 8,000,000 of the issued and outstanding common shares will be held in escrow pursuant to the requirements of the Exchange. Twenty five percent (25%) of the escrowed common shares will be released from escrow on the issuance of the Final Exchange Bulletin (as defined in the policies of the Exchange) (the "Initial Release") and an additional twenty five percent (25%) will be released on each of the dates which are 6 months, 12 months, and 18 months following the Initial Release.

(in Canadian Dollars)

All common shares acquired on exercise of stock options granted to directors and officers of the Corporation prior to completion of the QT must also be deposited in escrow until the Final Exchange Bulletin is issued.

All common shares acquired in the secondary market prior to the completion of a QT by a Control Person, as defined in the policies of the Exchange, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Corporation held by principals of the resulting issuer will also be subject to escrow.

4. SHARE-BASED COMPENSATION

On October 14, 2021, the Corporation entered into an engagement letter with Richardson Wealth Limited. (the “Agent”) to raise gross proceeds of $300,000, in connection with the Corporation’s Initial Public Offering (the “IPO”). The Corporation agreed to pay a commission of 10% of gross proceeds to the Agent and to grant the Agent an option to acquire 10% of the common shares issued in the offering, being 300,000 common shares, exercisable for a period ending five years from the date that the common shares are listed on the Exchange at an exercise price of $0.10 (“Agent’s Options”). The Agent’s Options are qualified for distribution under the prospectus. Not more than 50% of the aggregate number of common shares which can be acquired on the exercise of the entire Agent’s Options may be sold by the Agent prior to the completion of the Qualifying Transaction. The remaining 50% may be sold after the completion of the Qualifying Transaction. In addition, the Corporation paid the Agent a Corporate Finance Fee of $15,000, which is considered as a share issuance cost. The Corporation also paid the Agent’s legal fees and any other reasonable costs and expenses of the Agent pursuant to the Offering.

On November 10, 2021, the Corporation entered into a stock option agreement to grant the Agent 300,000 Agent Options and stock option agreements to grant stock options to officers and directors to collectively acquire 1,100,000 common shares of the Corporation at an exercise price of $0.10 per share and expiring ten years from the date of issue. The stock options vested immediately on the grant date.

Grant Date	Outstanding	Exercisable	Exercise Price	Remaining Life	Expiry Date
	#	#	$	(years)	
November 10, 2021	300,000	300,000	0.10	4.86	November 10, 2026
November 10, 2021	1,100,000	1,100,000	0.10	9.87	November 10, 2031
As at December 31, 2021	**1,400,000**	**1,400,000**	**0.10**	**8.79**	

On December 20, 2021, 10,000 of the stock options were exercised by the Agent.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Capital Management

The Corporation's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Corporation includes equity, comprised of share capital, and accumulated deficit, in the definition of capital.

(in Canadian Dollars)

The Corporation's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Corporation may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to $3,000 per month may be used for reasonable general and administrative expenses of the Corporation. These restrictions apply until completion of a QT by the Corporation as defined under the policies of the Exchange.

Risk Disclosures and Fair Values

The Corporation's financial instruments, consisting of cash held in trust and accrued liabilities approximate fair value due to the relatively short-term maturity of the instruments. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

6. RELATED PARTY TRANSACTIONS

There was no remuneration paid to key management personnel and no other related party transactions during the three months ended December 31, 2021.

7. INCOME TAXES

A reconciliation of combined federal and provincial corporate income taxes of statutory rates of 27% and the Corporation's effective income tax expense is as follows:

		Three months ended December 31, 2021
Net loss for the period	$	(160,943)
Expected income tax recovery		(43,455)
Share issuance costs		(1,026)
Deferred tax assets not recognized		44,481
Income tax recovery	**$**	**-**

As at December 31, 2021, the Corporation had non-capital losses for income tax purposes of approximately $194,042, which can be carried forward to be applied against future taxable income. These losses expire to the extent unutilized against future taxable income in 2041 - $29,300 and 2042 - $164,742. The Corporation has not recorded deferred tax assets related to these unused carry-forward losses as it is not probable that future taxable profits will be available against which these can be deducted.

8. SUBSEQUENT EVENT

Agent's Options exercise

On February 1, 2022, the Agent exercised 195,260 of the Agent's Options resulting in the issuance of 195,260 common shares. Each of the Agent's Options is exercisable to acquire one common share at a price of $0.10 per share on or before November 10, 2026. The Agent continues to hold a total of 94,740 of the Agent's Options were issued.