
CITY VIEW GREEN HOLDINGS INC.
(Formerly Icon Exploration Inc.)
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2019
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

Notice To Reader

The accompanying unaudited condensed interim consolidated financial statements of City View Green Holdings Inc. (Formerly Icon Exploration Inc.). (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

City View Green Holdings Inc. (Formerly Icon Exploration Inc.)**Condensed Interim Consolidated Statements of Financial Position****(Expressed in Canadian Dollars)****Unaudited**

	As at March 31, 2019	As at December 31, 2018
ASSETS		
Current assets		
Cash and cash equivalents	\$ 353,251	\$ 143,463
Subscription receivable (note 12)	-	78,000
Amounts receivable	210,671	115,261
Prepaid rent and deposit	216,733	40,329
Promissory notes receivable (note 6)	303,271	100,761
Total current assets	1,083,926	477,814
Non-current assets		
Plant (note 7)	195,055	63,881
Right-of-use assets (note 8)	2,076,382	-
Investments (note 9)	5,619,080	-
Total assets	\$ 8,974,443	\$ 541,695
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 476,985	\$ 90,941
Total current liabilities	476,985	90,941
Non-current liabilities		
Lease liabilities (note 10)	2,175,763	-
Total liabilities	2,652,748	90,941
Equity		
Share capital (note 12)	24,704,560	4,531,663
Contributed surplus (note 13)	684,734	285,955
Deficit	(19,067,599)	(4,366,864)
Total equity	6,321,695	450,754
Total equity and liabilities	\$ 8,974,443	\$ 541,695

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

Nature of operations and going concern (note 1)

Commitments (note 11)

City View Green Holdings Inc. (Formerly Icon Exploration Inc.)
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
Unaudited

	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
Expenses		
Consulting (notes 12 and 14)	\$ 157,925	\$ 275,428
Professional fees	17,993	14,338
Rent	101,882	67,818
General and administration	75,726	283
Share-based compensation (notes 13 and 14)	398,779	4,249
Travel	14,236	-
Depreciation (notes 7 and 8)	38,272	-
Advertising and promotion	13,972	-
Interest expense on lease liabilities (note 10)	70,857	-
	889,642	362,116
Net loss before interest and other item	(889,642)	(362,116)
Interest income	2,510	-
Listing expense	(13,735,141)	
Net loss for the period	\$ (14,622,273)	\$ (362,116)

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

City View Green Holdings Inc. (Formerly Icon Exploration Inc.)**Condensed Interim Consolidated Statements of Cash Flows****(Expressed in Canadian Dollars)****Unaudited**

	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
Operating activities		
Net loss for the period	\$ (14,622,273)	\$ (362,116)
Adjustments for:		
Depreciation	38,272	-
Share-based compensation	398,779	4,249
Listing transaction costs	13,553,817	-
Issuance of common shares for services	-	150,000
Accrued interest	(2,510)	-
Interest expense on lease liabilities	70,857	-
Changes in non-cash working capital items:		
Subscription receivable	78,000	(78,000)
Amounts receivable	(95,410)	(3,616)
Prepaid rent and deposit	(176,404)	(221,250)
Amounts payable and other liabilities	386,044	(41,254)
Net cash used in operating activities	(370,826)	(551,987)
Investing activities		
Purchase of plant	(141,884)	-
Net cash used in investing activities	(141,884)	-
Financing activities		
Proceeds from issuance of common shares, net of share issue costs	1,000,000	593,000
Repayment of promissory note	-	(25,000)
Loans advanced	(200,000)	-
Repayment of lease liabilities	(77,500)	-
Net cash provided by financing activities	722,500	568,000
Net change in cash and cash equivalents	209,788	16,013
Cash and cash equivalents, beginning of period	143,463	30,596
Cash and cash equivalents, end of period	\$ 353,251	\$ 46,609

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

City View Green Holdings Inc. (Formerly Icon Exploration Inc)
Condensed Interim Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)
Unaudited

	<u>Share capital</u>				
	Number of shares	Amount	Contributed surplus	Deficit	Total
Balance, December 31, 2017	66,080,000	\$ 369,375	\$ 7,081	\$ (281,552)	\$ 94,904
Common shares issued for cash	2,746,664	515,000	-	-	515,000
Common shares issued for services	24,000,000	150,000	-	-	150,000
Share-based payments	-	-	4,249	-	4,249
Net loss for the period	-	-	-	(362,116)	(362,116)
Balance, March 31, 2018	92,826,664	\$ 1,034,375	\$ 11,330	\$ (643,668)	\$ 402,037
Balance, December 31, 2018	115,293,328	\$ 4,531,663	\$ 285,955	\$ (4,366,864)	\$ 450,754
Impact of adoption of IFRS 16	-	-	-	(78,462)	(78,462)
Adjusted balance, December 31, 2018	115,293,328	\$ 4,531,663	\$ 285,955	\$ (4,445,326)	\$ 372,292
Common shares issued for cash	5,333,336	1,000,000	-	-	1,000,000
Common shares issued for investment	29,968,424	5,619,080	-	-	9,365,133
Purchase of shares on RTO transaction	26,446,473	13,553,817	-	-	13,553,817
Share-based payments	-	-	398,779	-	398,779
Net loss for the period	-	-	-	(14,622,273)	(14,622,273)
Balance, March 31, 2019	177,041,561	\$ 24,704,560	\$ 684,734	\$ (19,067,599)	\$ 6,321,695

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

City View Green Holdings Inc. (Formerly Icon Exploration Inc.)
Notes to Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2019
(Expressed in Canadian Dollars)
Unaudited

1. Nature of operations and going concern

City View Green Holdings Inc. (formerly Icon Exploration Inc.) ("the Company") was incorporated pursuant to the Canada Business Corporations Act on February 5, 2008. The Company continued into British Columbia from the jurisdiction of Canada, under the BCBCA, on February 18, 2011. On February 27, 2019, the Company completed a reverse take-over business combination with 2590672 Ontario Inc wherein the Company acquired 100% of the issued and outstanding common shares of 2590672 Ontario Inc. and began trading on the Canadian Securities Exchange ("Exchange") under the symbol "CVGR".

These condensed interim consolidated financial statements reflect the continuation of the financial position, operating results and cash flows of the Company's legal subsidiary, 2590672 Ontario Inc.

The unaudited condensed interim consolidated financial statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due. As at March 31, 2019, the Company is still in the development stage, has accumulated losses of \$19,607,599 since its inception and expects to incur further losses in the development of its business, which casts significant doubt about the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. While the Company is continuing its best efforts to achieve the above plans, there is no assurance that any such activity will generate funds for operations. The unaudited condensed interim financial statements do not reflect adjustments to the carrying values and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern, and such adjustments may be material.

As at March 31, 2019, the Company is an applicant for a Cannabis Licence with Health Canada to cultivate, produce and sell its products for either medical or recreational use and which is under review.

2. Basis of presentation

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of May 28, 2019, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2018 except as noted in note 3. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2019 could result in restatement of these unaudited condensed interim financial statements.

City View Green Holdings Inc. (Formerly Icon Exploration Inc.)
Notes to Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2019
(Expressed in Canadian Dollars)
Unaudited

3. Significant accounting policies

New accounting standard adopted_

IFRS 16 Leases

IFRS 16 requires lessees to recognize most leases on the balance sheet to reflect the right to use an asset for a period of time and the associated liability for payments. The Company has adopted IFRS 16 using the modified retrospective method, under which the cumulative effect of the initial application is recognized in retained earnings at January 1, 2019.

On transition to IFRS 16, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases and applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 Leases were not reassessed for whether a lease existed. The Company also elected to not recognize right of use assets and lease liabilities that have a lease term of 12 months or less and leases of low-value assets. The 2018 information presented has not been restated for this standard.

Lease liabilities were measured at the present value of the remaining lease payments discounted at the incremental borrowing rate as at January 1, 2019.

On transition to IFRS 16, the Company recognized an additional \$2,103,944 of right-of-use assets and \$2,182,406 of lease liabilities, recognizing the difference of \$78,462 in retained earnings.

When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate at January 1, 2019. The weighted-average rate applied is 13%.

4. Significant accounting judgments, estimates and assumptions

The preparation of these financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

5. Capital risk management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and financial markets in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, or adjusting spending. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital structure to consist of share capital, contributed surplus, and deficit, which at March 31, 2019 totaled \$6,321,695 (December 31, 2018 - \$450,754). The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. Selected information is provided to the Board of Directors of the Company. The Company is not subject to any capital requirements imposed by a lending institution.

City View Green Holdings Inc. (Formerly Icon Exploration Inc.)
Notes to Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2019
(Expressed in Canadian Dollars)
Unaudited

6. Promissory notes receivable

(i) On November 5, 2018, the Company entered into a loan agreement with a company operating in the cannabis retail space ("Budd-Hutt Inc"). The loan bears interest rate of Prime Bank Rate (defined below) plus 1% per annum, calculated monthly not in advance. The loan is repayable on or before May 5, 2020. Prime Bank Rate means the commercial lending rate of interest, quoted or published by the Bank of Montreal. As at March 31, 2019, the Company was owed \$101,996 (December 31, 2018 - \$100,761) including accrued interest.

(ii) On March 5, 2019, the Company entered into a loan agreement with 11103016 Canada Inc. ("11103016 Canada"). The loan is secured by 11103016 Canada's inventory and equipment, and bears interest rate of Prime Bank Rate plus 5% per annum, calculated monthly not in advance. The loan is repayable on or before March 5, 2020. As at March 31, 2019, the Company was owed \$201,275 (December 31, 2018 - \$nil) including accrued interest.

7. Plant

Cost	Leasehold improvements
Balance, December 31, 2017	\$ -
Additions	72,320
Balance, December 31, 2018	72,320
Additions	141,884
Balance, March 31, 2019	\$ 214,204

Cost	Leasehold improvements
Balance, December 31, 2017	\$ -
Depreciation for the year	8,439
Balance, December 31, 2018	\$ 8,439
Depreciation for the period	10,710
Balance, March 31, 2019	\$ 19,149

Cost	Leasehold improvements
Balance, December 31, 2018	\$ 63,881
Balance, March 31, 2019	\$ 195,055

City View Green Holdings Inc. (Formerly Icon Exploration Inc.)
Notes to Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2019
(Expressed in Canadian Dollars)
Unaudited

8. Right-of-use assets

Cost	Brantford facility
Balance, December 31, 2017 and December 31, 2018	-
Additions	2,103,944
Balance, March 31, 2019	\$ 2,103,944

Accumulated depreciation	Brantford facility
Balance, December 31, 2017 and December 31, 2018	-
Depreciation for the period	27,562
Balance, March 31, 2019	\$ 27,562

Carring value	Brantford facility
Balance, December 31, 2018	\$ -
Balance, March 31, 2019	\$ 2,076,382

9. Investments

On November 5, 2018, the Company entered into an agreement with Budd-Hutt Inc whereby the Company and Budd-Hutt Inc. will conduct a mutual share exchange consisting of the Company owning 19.9% of Budd-Hutt Inc, and Budd-Hutt Inc. owning 19.9% of the Company (prior to the RTO business Combination).. In connection with this transaction, the Company issued 3,746,053 shares valued at \$1.50 per share. The transaction was closed on January 31, 2019.

10. Lease liabilities

	Brantford facility
Balance, December 31, 2018	-
Additions	2,182,406
Interest expense	70,857
Lease payments	(77,500)
Balance, March 31, 2019	\$ 2,175,763

City View Green Holdings Inc. (Formerly Icon Exploration Inc.)
Notes to Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2019
(Expressed in Canadian Dollars)
Unaudited

11. Commitments

On February 8, 2018, the Company entered into a lease agreement with 1985588 Ontario Inc. with respect to its Brantford, Ontario facility, expiring on January 31, 2023.

Future minimum annual lease payments are as follows:

2020	\$	310,000
2021		310,000
2022		310,000
2023		25,833
2024		-

12. Share capital

(a) Authorized share capital

Unlimited number of common shares, with no par value.

(b) Common shares issued

	Number of common shares	Amount
Balance, December 31, 2017	66,080,000	\$ 369,375
Common shares issued for cash (i)	2,746,664	515,000
Common shares issued for services (ii)	24,000,000	150,000
Balance, March 31, 2018	92,826,664	\$ 1,034,375
Balance, December 31, 2018	115,293,328	\$ 4,531,663
Common shares issued for cash (iii)	5,333,336	1,000,000
Common shares issued pursuant to mutual share exchange (note 9)	29,968,424	5,619,080
Purchase of shares on RTO transaction	26,446,473	13,553,817
Balance, March 31, 2019	177,041,561	\$ 24,704,560

- (i) In February 2018, the Company issued 2,746,664 common shares for aggregate gross proceeds of \$515,000.
- (ii) On January 1, 2018, the Company issued 24,000,000 common shares valued at \$0.00625 per common share to Quinsam Capital Corp. ("Quinsam") as a finder's fee for arranging for the introduction of 1985588 Ontario Inc. to the Company to enter into a commercial lease agreement.
- (iii) In January 2019, the Company closed a private placement wherein the Company issued 5,333,336 common shares at \$0.1875 per share for gross proceeds of \$1,000,000.

City View Green Holdings Inc. (Formerly Icon Exploration Inc.)
Notes to Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2019
(Expressed in Canadian Dollars)
Unaudited

13. Stock options

	Number of stock options	Weighted average exercise price
Balance, December 31, 2017 and March 31, 2018	8,000,000	\$ 0.25
Balance, December 31, 2018 and March 31, 2019	13,603,519	\$ 0.47

The following table reflects the actual stock options issued and outstanding as of March 31, 2019:

Expiry date	Exercise price (\$)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)
March 13, 2020	0.0625	1.00	589,863	589,863
October 29, 2021	0.75	2.58	600,000	-
August 3, 2022	0.25	3.35	5,360,000	5,360,000
January 9, 2023	0.375	3.83	1,646,400	1,646,400
November 1, 2023	0.75	4.59	5,213,332	-
February 21, 2027	0.625	8.16	193,924	193,924
	0.47	3.81	13,603,519	7,790,187

14. Related party balances and transactions

Related parties include key management being the Company's executive officers, the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. The following related party transactions were conducted in the normal course of operations and were made on an arm's length basis:

	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
Consulting	\$ 83,667	\$ -
Share-based compensation	133,601	425
	\$ 217,268	\$ 425

As at March 31, 2019, \$19,337 (December 31, 2018 - \$2,104) included in accounts payable and accrued liabilities was payable to a key management personnel for expense reimbursement.

City View Green Holdings Inc. (Formerly Icon Exploration Inc.)
Notes to Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2019
(Expressed in Canadian Dollars)
Unaudited

15. Loss per share

For the three months ended March 31, 2019, basic and diluted loss per share has been calculated based on the loss attributable to common shares of \$14,622,273 (three months ended March 31, 2018 - \$362,116) and weighted average number of common shares outstanding of 174,837,688 (three months ended March 31, 2018 - 92,597,775). Diluted loss per share did not include the effect of stock options as they are anti-dilutive.

16. Capital management

The Company's capital is composed of share capital, reserves and deficit. The Company manages its capital within the following objectives:

- (a) to ensure that there is sufficient financial flexibility to achieve the ongoing business objectives; and
- (b) to maximize shareholder return through enhancing shareholder value.

Management periodically reviews its capital management approach 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 for the period ended March 31, 2019. The Company is not subject to externally imposed capital requirements.

17. Financial risk management

The Company's financial risk exposures and the impact on the Company's financial instruments are as follows:

(a) Credit risk

The Company's credit risk is primarily attributable to cash and accounts receivable. The Company has no significant concentration of credit risk arising from financial instruments.

(b) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2019, the Company has a working capital of \$606,941 (December 31, 2018 - \$386,873). The Company had a cash balance of \$353,251 (December 31, 2018 - \$143,463) to settle current financial liabilities of \$476,985 (December 31, 2018 - \$90,941). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms, except short term loans.

(c) Fair Value

The carrying amount of each accounts payable and accrued liabilities and short-term loans approximates their fair value because of the short-term maturities of these items.