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**CITY VIEW GREEN HOLDINGS INC.**

(Formerly Icon Exploration Inc.)

**CONDENSED INTERIM FINANCIAL STATEMENTS**

**THREE AND SIX MONTHS ENDED**

**JUNE 30, 2019**

**(EXPRESSED IN CANADIAN DOLLARS)**

**(UNAUDITED)**

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**Notice To Reader**

The accompanying unaudited condensed interim 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 financial statements have not been reviewed by the Company's auditors.

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

	As at June 30, 2019	As at December 31, 2018
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 90,799	\$ 143,463
Subscription receivable	-	78,000
Amounts receivable	191,159	115,261
Prepaid rent and deposit	189,453	40,329
Promissory notes receivable (note 6)	359,868	100,761
<b>Total current assets</b>	<b>831,279</b>	<b>477,814</b>
<b>Non-current assets</b>		
Plant (note 7)	195,710	63,881
Right-of-use assets (note 8)	2,048,819	-
Investments (note 9)	5,619,080	-
<b>Total assets</b>	<b>\$ 8,694,888</b>	<b>\$ 541,695</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 831,385	\$ 90,941
Promissory note payable (note 10)	461,096	-
<b>Total current liabilities</b>	<b>1,292,481</b>	<b>90,941</b>
<b>Non-current liabilities</b>		
Lease liabilities (note 11)	2,168,901	-
<b>Total liabilities</b>	<b>3,461,382</b>	<b>90,941</b>
<b>Equity</b>		
Share capital (note 13)	24,694,560	4,531,663
Contributed surplus (note 14 & 15)	1,467,888	285,955
Deficit	(20,928,942)	(4,366,864)
<b>Total equity</b>	<b>5,233,506</b>	<b>450,754</b>
<b>Total equity and liabilities</b>	<b>\$ 8,694,888</b>	<b>\$ 541,695</b>

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 12)

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

	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
<b>Expenses</b>				
Consulting (notes 16)	\$ 322,375	\$ 48,920	\$ 480,300	\$ 324,348
Professional fees	84,269	22,313	102,262	36,651
Rent	170,021	115,446	271,903	183,264
General and administration	126,529	7,208	202,255	7,491
Debt issue costs (notes 15 & 20)	309,484	-	309,484	-
Share-based compensation (notes 14 & 16)	659,854	4,295	1,058,633	8,544
Travel	12,325	-	26,561	-
Depreciation (notes 7 and 8)	38,870	-	77,142	-
Advertising and promotion	62,479	-	76,451	-
Interest expense on loan payable (note 10)	11,096	-	11,096	-
Interest expense on lease liabilities (note 11)	70,638	-	141,495	-
	<b>1,867,940</b>	198,182	<b>2,757,582</b>	560,298
<b>Net loss before interest and other income</b>	<b>(1,867,940)</b>	(198,182)	<b>(2,757,582)</b>	(560,298)
Interest income	6,597	-	9,107	-
Listing expense	-	-	13,735,141	-
<b>Net loss for the period</b>	<b>\$ (1,861,343)</b>	\$ (198,182)	<b>\$ (16,483,616)</b>	\$ (560,298)

The accompanying notes to the unaudited condensed interim 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**

	<b>Six Months Ended June 30, 2019</b>	<b>Six Months Ended June 30, 2018</b>
<b>Operating activities</b>		
Net loss for the period	\$ (16,483,616)	\$ (560,298)
Adjustments for:		
Depreciation	77,142	-
Share-based compensation	1,058,633	8,544
Debt issue costs	309,484	-
Listing transaction costs	13,553,817	-
Issuance of common shares for services	-	150,000
Accrued interest	(9,107)	-
Interest expense on lease liabilities	141,495	-
Interest expense on loan payable	11,096	-
Changes in non-cash working capital items:		
Subscription receivable	78,000	(78,000)
Amounts receivable	(75,898)	(131,646)
Prepaid rent and deposit	(35,308)	(27,387)
Amounts payable and other liabilities	440,444	(1,671)
<b>Net cash used in operating activities</b>	<b>(933,818)</b>	<b>(640,458)</b>
<b>Investing activities</b>		
Purchase of plant	(153,846)	-
<b>Net cash used in investing activities</b>	<b>(153,846)</b>	<b>-</b>
<b>Financing activities</b>		
Proceeds from issuance of common shares, net of share issue costs	990,000	635,000
Repayment of promissory note	-	(25,000)
Loans advanced	(250,000)	-
Repayment of lease liabilities	(155,000)	-
Proceeds from promissory notes	450,000	-
<b>Net cash provided by financing activities</b>	<b>1,035,000</b>	<b>610,000</b>
<b>Net change in cash and cash equivalents</b>	<b>(52,664)</b>	<b>(30,458)</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>143,463</b>	<b>30,596</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 90,799</b>	<b>\$ 138</b>

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 Statements of Changes in Equity**  
**(Expressed in Canadian Dollars)**  
**Unaudited**

	Share capital				
	Number of shares	Amount	Contributed surplus	Deficit	Total
<b>Balance, December 31, 2017</b>	<b>66,080,000</b>	<b>\$ 369,375</b>	<b>\$ 7,081</b>	<b>\$ (281,552)</b>	<b>\$ 94,904</b>
Common shares issued for cash	2,970,664	557,000	-	-	557,000
Common shares issued for services	24,000,000	150,000	-	-	150,000
Share-based payments	-	-	8,544	-	8,544
Net loss for the period	-	-	-	(560,298)	(560,298)
<b>Balance, June 30, 2018</b>	<b>93,050,664</b>	<b>\$ 1,076,375</b>	<b>\$ 15,625</b>	<b>\$ (841,850)</b>	<b>\$ 250,150</b>
<b>Balance, December 31, 2018</b>	<b>115,293,328</b>	<b>\$ 4,531,663</b>	<b>\$ 285,955</b>	<b>\$ (4,366,864)</b>	<b>\$ 450,754</b>
Impact of adoption of IFRS 16	-	-	-	(78,462)	(78,462)
<b>Adjusted balance, December 31, 2018</b>	<b>115,293,328</b>	<b>\$ 4,531,663</b>	<b>\$ 285,955</b>	<b>\$ (4,445,326)</b>	<b>\$ 372,292</b>
Common shares issued for cash	5,333,336	1,000,000	-	-	1,000,000
Share issuance cost	-	(10,000)	-	-	(10,000)
Common shares issued for investment	29,968,424	5,619,080	-	-	5,619,080
Share-based payments	-	-	1,058,633	-	1,058,633
Fair value of warrants issued	-	-	123,300	-	123,300
Purchase of shares on RTO transaction	26,446,473	13,553,817	-	-	13,553,817
Net loss for the period	-	-	-	(16,483,616)	(16,483,616)
<b>Balance, June 30, 2019</b>	<b>177,041,561</b>	<b>\$ 24,694,560</b>	<b>\$ 1,467,888</b>	<b>\$ (20,928,942)</b>	<b>\$ 5,233,506</b>

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

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# **City View Green Holdings Inc. (Formerly Icon Exploration Inc.)**

## **Notes to Condensed Interim Financial Statements**

**Six Months ended June 30, 2019**

**(Expressed in Canadian Dollars)**

**Unaudited**

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### **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 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 June 30, 2019, the Company is still in the development stage, has accumulated losses of \$20,928,942 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 June 30, 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 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 financial statements are based on IFRSs issued and outstanding as of August 26, 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 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.

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**City View Green Holdings Inc. (Formerly Icon Exploration Inc.)**  
**Notes to Condensed Interim Financial Statements**  
**Six Months ended June 30, 2019**  
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**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 June 30, 2019 totaled \$5,233,506 (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.

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**City View Green Holdings Inc. (Formerly Icon Exploration Inc.)****Notes to Condensed Interim Financial Statements****Six Months ended June 30, 2019****(Expressed in Canadian Dollars)****Unaudited**

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**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 June 30, 2019, the Company was owed \$103,259 (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 June 30, 2019, the Company was owed \$205,738 (December 31, 2018 - \$nil) including accrued interest.

(iii) On April 12, 2019, the Company entered into a loan agreement with Budd Hutt Inc.. The loan bears interest rate of 8% per annum, calculated monthly not in advance. The loan is repayable on or before April 12, 2020. As at June 30, 2019, the Company was owed \$50,871 (December 31, 2018 - \$nil) including accrued interest.

**7. Plant**

<b>Cost</b>	<b>Leasehold improvements</b>
Balance, December 31, 2017	\$ -
Additions	72,320
Balance, December 31, 2018	72,320
Additions	153,847
Balance, June 30, 2019	\$ 226,167

<b>Accumulated depreciation</b>	<b>Leasehold improvements</b>
Balance, December 31, 2017	\$ -
Depreciation for the year	8,439
Balance, December 31, 2018	\$ 8,439
Depreciation for the period	22,018
Balance, June 30, 2019	\$ 30,457

<b>Carrying value</b>	<b>Leasehold improvements</b>
Balance, December 31, 2018	\$ 63,881
Balance, June 30, 2019	\$ 195,710



**City View Green Holdings Inc. (Formerly Icon Exploration Inc.)**  
**Notes to Condensed Interim Financial Statements**  
**Six Months ended June 30, 2019**  
**(Expressed in Canadian Dollars)**  
**Unaudited**

**8. Right-of-use assets**

<b>Cost</b>	<b>Brantford facility</b>
Balance, December 31, 2017 and December 31, 2018	-
Additions	2,103,944
<b>Balance, June 30, 2019</b>	<b>\$ 2,103,944</b>

<b>Accumulated depreciation</b>	<b>Brantford facility</b>
Balance, December 31, 2017 and December 31, 2018	-
Depreciation for the period	55,125
<b>Balance, June 30, 2019</b>	<b>\$ 55,125</b>

<b>Carrying value</b>	<b>Brantford facility</b>
Balance, December 31, 2018	\$ -
<b>Balance, June 30, 2019</b>	<b>\$ 2,048,819</b>

**9. Investments**

On November 5, 2018, the Company entered into an agreement with Budd-Hutt Inc whereby the Company and Budd-Hutt Inc. conducted 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. Promissory note payable**

On May 31, 2019, the Company issued a promissory note of \$450,000 to Rydan Financial Inc. The note bears interest rate of 20% per annum and due on May 31, 2020.

**11. Lease liabilities**

	<b>Brantford facility</b>
Balance, December 31, 2018	-
Additions	2,182,406
Interest expense	141,495
Lease payments	(155,000)
<b>Balance, June 30, 2019</b>	<b>\$ 2,168,901</b>

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**City View Green Holdings Inc. (Formerly Icon Exploration Inc.)****Notes to Condensed Interim Financial Statements****Six Months ended June 30, 2019****(Expressed in Canadian Dollars)****Unaudited**

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**12. 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. The lease was terminated on July 30, 2019 on the exercise of purchase option and the property transfer to 2705279 Ontario Inc. A new lease was entered between the new landlord for a term of 10 years commencing July 30, 2019 and ending July 31, 2029 with the following terms:

	<u>Annual</u>	<u>Monthly</u>
July 30, 2019 to October 31, 2019		\$29,167
November 1, 2019 to end of 5 years and 2% increase annually thereafter	\$660,000	55,000

The Company has 2 renewal options of 5 years each and a right of first refusal in the event the landlord receive any bona fide offer for the property.

**Share capital****13.****(a) Authorized share capital**

Unlimited number of common shares, with no par value.

**(b) Common shares issued**

	<b>Number of common shares</b>	<b>Amount</b>
Balance, December 31, 2017	66,080,000	\$ 369,375
Common shares issued for cash (i)	2,970,664	557,000
Common shares issued for services (ii)	24,000,000	150,000
Balance, June 30, 2018	93,050,664	\$ 1,076,375
Balance, December 31, 2018	115,293,328	\$ 4,531,663
Common shares issued for cash (iii)	5,333,336	1,000,000
Share issuance cost	-	(10,000)
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, June 30, 2019	177,041,561	\$ 24,694,560

- (i) In February 2018 and June 2018, the Company issued 2,970,664 common shares for aggregate gross proceeds of \$557,000.
- (ii) On January 1, 2018, the Company issued 24,000,000 common shares valued at \$0.05 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.

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**City View Green Holdings Inc. (Formerly Icon Exploration Inc.)****Notes to Condensed Interim Financial Statements****Six Months ended June 30, 2019****(Expressed in Canadian Dollars)****Unaudited**

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**14. Stock options**

The Company has a Share Option Plan (the "Plan") under which it is authorized to grant options to purchase common shares of the Company to directors, senior officers, employees and/or consultants of the Company. The aggregate number of shares of the Company which may be issued and sold under the Plan will not exceed 10% of the total number of common shares issued and outstanding from time to time. Share options are granted with a maximum term of ten years with vesting requirements at the discretion of the Board of Directors.

The Company records a charge to the statement of loss and comprehensive loss using the Black Scholes fair valuation option pricing model with respect to a share option grant. The valuation is dependent on a number of estimates, including the risk free interest rate, the level of share volatility, together with an estimate of the level of forfeiture. The level of share volatility is calculated with reference to the historic traded daily closing share price at the date of issue. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable measure of the fair value of the Company's share purchase options.

On June 3, 2019, the Company granted incentive stock options to its directors, employees and consultants to purchase up to an aggregate of 2,700,000 common shares of the Company. The options are exercisable for a period of five years at a price of \$0.15 per share. The fair value of the 2,700,000 stock options granted is estimated at \$268,650 using the Black-Scholes model for option pricing. The assumptions underlying the fair value of the share purchase options were as follows: risk free interest rate - .150%; dividend yield - 0%; expected stock volatility - 154% and an option life - 5 years.

	<b>Number of stock options</b>	<b>Weighted average exercise price</b>
Balance, June 30, 2018	8,000,000	\$ 0.25
Balance, June 30, 2019	16,303,519	\$ 0.42

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The following table reflects the actual stock options issued and outstanding as of June 30, 2019:

<b>Expiry date</b>	<b>Exercis e price (\$)</b>	<b>Weighted average remaining contractual life (years)</b>	<b>Number of options outstanding</b>	<b>Number of options vested (exercisable)</b>
March 13, 2020	0.0625	0.75	589,863	589,863
October 29, 2021	0.75	2.33	600,000	150,000
August 3, 2022	0.25	3.10	5,360,000	5,360,000
January 9, 2023	0.375	3.58	1,646,400	1,646,400
November 1, 2023	0.75	4.34	5,213,332	-
February 21, 2027	0.0625	7.91	193,924	193,924
June 3, 2024	0.15	4.92	2,700,000	2,700,000
	0.42	3.79	16,303,519	10,640,187

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**City View Green Holdings Inc. (Formerly Icon Exploration Inc.)****Notes to Condensed Interim Financial Statements****Six Months ended June 30, 2019****(Expressed in Canadian Dollars)****Unaudited**

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**15. Warrants**

In connection with the loan of \$450,000 from Rydan Financial Inc as referred to in note 10, the Company issued 3,000,000 warrants to the Lender. Each warrant is exercisable into one common share at a price of \$0.15 per share and expires on July 3, 2020. The fair value of \$123,300 assigned to the warrants and has been estimated using the Black-Scholes model for pricing options under the following assumptions: risk free interest rate - 1.25%; dividend yield - 0%; expected stock volatility - 116% and an expected life of 13 months.

**16. 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:

	<b>Three Months Ended June 30, 2019</b>	<b>Three Months Ended June 30 2018</b>	<b>Six Months Ended June 30, 2019</b>	<b>Six Months Ended June 30, 2018</b>
Consulting	\$ 91,333	\$ -	\$ 175,000	\$ -
Share-based compensation	302,179	430	435,780	854
	<b>\$ 393,512</b>	<b>\$ 430</b>	<b>\$ 610,780</b>	<b>\$ 854</b>

As at June 30, 2019, \$25,789 (December 31, 2018 - \$2,104) included in accounts payable and accrued liabilities was payable to a key management personnel for expense reimbursement.

**17. Loss per share**

For the six months ended June 30, 2019, basic and diluted loss per share has been calculated based on the loss attributable to common shares of \$16,483,616 (six months ended June 30, 2018 - \$560,298) and weighted average number of common shares outstanding of 174,837,688 (six months ended June 30, 2018 - 92,597,775). Diluted loss per share did not include the effect of stock options as they are anti-dilutive.

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**City View Green Holdings Inc. (Formerly Icon Exploration Inc.)**  
**Notes to Condensed Interim Financial Statements**  
**Six Months ended June 30, 2019**  
**(Expressed in Canadian Dollars)**  
**Unaudited**

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**18. 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 June 30, 2019. The Company is not subject to externally imposed capital requirements.

**19. 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, accounts receivable and promissory note 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 June 30, 2019, the Company has a working capital deficiency of \$461,202 (Working capital at December 31, 2018 - \$386,873). The Company had a cash balance of \$90,799 (December 31, 2018 - \$143,463) to settle current financial liabilities of \$1,292,481 (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.

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**City View Green Holdings Inc. (Formerly Icon Exploration Inc.)**  
**Notes to Condensed Interim Financial Statements**  
**Six Months ended June 30, 2019**  
**(Expressed in Canadian Dollars)**  
**Unaudited**

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**20. Subsequent events**

- (i) On July 24, 2019, the Company granted 300,000 stock options to a consultant. Each option is exercisable into one common share of the Company at an exercisable price of \$0.18 per share for a period of 5 years.
- (ii) On July 30, 2019, the Company exercise the option to purchase on the property (49 Easton Road, Brantford) and transfer it to 2705279 Ontario Inc. (new landlord). In return, the Company entered into a 5 year lease with a 5 year renewable term with the new landlord who will finance all the required build-out and capital improvements required by the Company to secure the required Health Canada Licenses and in turn become a fully operational Cannabis grow and extraction facility. The Company has a right of first refusal should there be a bona fide offer on the property. In connection with the transaction, the Company issued 1,000,000 share purchase warrants with each warrant exercisable into one common share of the Company at a price of \$0.18 per share for a period of 5 years expiring July 30, 2024.
- (iii) On July 30, 2019, the Company settled an aggregate debt of \$580,019 through the issuance of 2,693,460 common shares at a deemed price of \$0.15 per share (\$404,019) and 977,778 common shares at a deemed price of \$0.18 per share (\$176,000)