
CITY VIEW GREEN HOLDINGS INC.
CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS
THREE MONTHS ENDED MARCH 31, 2020
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

Notice To Reader

The accompanying unaudited condensed interim consolidated financial statements of City View Green Holdings 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.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
Unaudited

	As at March 31, 2020	As at December 31, 2019
ASSETS		
Current assets		
Cash and cash equivalents	\$ 41,032	\$ 6,026
Amounts receivable (note 6)	99,437	243,529
Prepaid rent and deposit	37,775	123,176
Promissory notes receivable (note 7)	416,099	372,272
Total current assets	594,343	745,003
Non-current assets		
Plant (note 8)	233,236	248,579
Right-of-use assets (note 9)	3,404,175	3,495,358
Investments in associate (note 10)	830,923	1,100,000
Total assets	\$ 5,062,677	\$ 5,588,940
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 11)	\$ 814,410	\$ 723,749
Promissory notes payable (note 12)	578,222	552,500
Current portion of lease liabilities (note 13)	199,960	193,599
Total current liabilities	1,592,592	1,469,848
Non-current liabilities		
Lease liabilities (note 13)	3,428,321	3,480,761
Total liabilities	5,020,913	4,950,609
Equity		
Share capital (note 14)	25,987,484	25,987,484
Shares to be issued (note 19)	100,000	-
Contributed surplus (note 15)	3,795,004	3,654,029
Deficit	(29,840,724)	(29,003,182)
Total equity	41,764	638,331
Total equity and liabilities	\$ 5,062,677	\$ 5,588,940

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)
Subsequent events (note 19)

City View Green Holdings Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

Unaudited

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Expenses		
Consulting (notes 14 and 17)	\$ 85,767	\$ 157,925
Professional fees	4,761	17,993
Rent	38,128	101,882
General and administration	18,048	75,726
Debt issue costs (note 16)	30,825	-
Share-based compensation (notes 15 and 17)	140,975	398,779
Travel	-	14,236
Depreciation (notes 8 and 9)	106,527	38,272
Advertising and promotion	10,619	13,972
Interest on promissory note payable (note 12)	25,722	-
Interest on lease liabilities (note 13)	118,921	70,857
Foreign exchange loss	-	-
	580,293	889,642
Net loss before interest and undernoted items	(580,293)	(889,642)
Interest income	11,828	2,510
Share of loss in associate (note 10)	(269,077)	-
Listing expense (note 5)	-	(14,905,141)
Net loss and comprehensive loss for the period	\$ (837,542)	\$ (15,792,273)
Basic and diluted net comprehensive loss per share (note 18)	\$ (0.00)	\$ (0.11)
Weighted average number of common shares outstanding - basic and diluted (i)	186,397,937	145,803,940

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

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

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Operating activities		
Net loss for the period	\$ (837,542)	\$(15,792,273)
Adjustments for:		
Depreciation	106,527	38,272
Share-based compensation	140,975	398,779
Accrued interest	13,894	(2,510)
Interest expense on lease liabilities	118,921	70,857
Debt issue cost	30,825	-
Share of loss in associate	269,077	-
Listing expense	-	14,905,141
Changes in non-cash working capital items:		
Subscription receivable	-	78,000
Amounts receivable	144,092	(77,926)
Prepaid rent and deposit	54,576	(176,404)
Accounts payable and accrued liabilities	90,661	56,767
Net cash provided by (used in) operating activities	132,006	(501,297)
Investing activities		
Purchase of plant	-	(141,884)
Repayment of lease liabilities	(165,000)	(77,500)
Cash acquired in RTO	-	120,469
Net cash used in investing activities	(165,000)	(98,915)
Financing activities		
Proceeds from issuance of common shares, net of share issue costs	-	990,000
Promissory notes advanced	(32,000)	(200,000)
Shares to be issued	100,000	-
Net cash provided by financing activities	68,000	790,000
Net change in cash and cash equivalents	35,006	189,788
Cash and cash equivalents, beginning of period	6,026	143,463
Cash and cash equivalents, end of period	\$ 41,032	\$ 333,251

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

City View Green Holdings Inc.

Condensed Interim Consolidated Statements of Changes in Equity

(Expressed in Canadian Dollars)

Unaudited

	Share capital					
	Number of shares	Amount	Shares to be issued	Contributed surplus	Deficit	Total
Balance, December 31, 2018	115,293,340	\$ 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	115,293,340	\$ 4,531,663	\$ -	\$ 285,955	\$ (4,445,326)	\$ 372,292
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	-	-	-	35,587,504
Purchase of shares and stock options on RTO transaction	29,446,473	13,553,817	-	1,170,000	-	14,723,817
Share-based payments	-	-	-	398,779	-	398,779
Net loss for the period	-	-	-	-	(15,792,273)	(15,792,273)
Balance, March 31, 2019	180,041,573	\$ 24,694,560	\$ -	\$ 1,854,734	\$ (20,159,137)	\$ 6,390,157
Balance, December 31, 2019	186,397,937	\$ 25,987,484	\$ -	\$ 3,654,029	\$ (29,003,182)	\$ 638,331
Shares to be issued (note 19)	-	-	100,000	-	-	100,000
Share-based payments	-	-	-	140,975	-	140,975
Net loss for the period	-	-	-	-	(837,542)	(837,542)
Balance, March 31, 2020	186,397,937	\$ 25,987,484	\$ 100,000	\$ 3,795,004	\$ (29,840,724)	\$ 41,764

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

City View Green Holdings Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2020

(Expressed in Canadian Dollars)

Unaudited

1. Nature of operations and going concern

City View Green Holdings Inc. (formerly Icon Exploration Inc.) ("City View" or 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. ("2590672 Ontario") wherein the Company acquired 100% of the issued and outstanding common shares of 2590672 Ontario and began trading on the Canadian Securities Exchange ("Exchange") under the symbol "CVGR".

These unaudited 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.

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, 2020, the Company is still in the development stage, has accumulated losses of \$29,840,724 since its inception and expects to incur further losses in the development of its business. These conditions raise material uncertainties which cast 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 consolidated 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, 2020, 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.

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

City View Green Holdings Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2020

(Expressed in Canadian Dollars)

Unaudited

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 July 10, 2020, 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, 2019 except as noted in note . Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2020 could result in restatement of these unaudited condensed interim consolidated financial statements.

3. Significant accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements using accounting policies consistent with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. The preparation of the consolidated financial statements also requires management to exercise judgment in the process of applying the accounting policies.

Critical accounting estimates

Impairment of plant and right-of-use assets - assessing whether indicators of impairment exist at reporting period ends and, if required, determining recoverable amounts including assumptions and inputs thereto.

Share-based compensation – management is required to make a number of estimates when determining the compensation expense resulting from share-based transactions, including the forfeiture rate and expected life of the instruments.

Warrants – management is required to make a number of estimates when measuring the value of warrants including the forfeiture rate and expected life of the instruments.

Plant and right-of-use assets - management is required to estimate the useful lives and residual value of property, plant and equipment which are included in the consolidated statements of financial position and the related depreciation included in the consolidated statements of loss.

City View Green Holdings Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2020

(Expressed in Canadian Dollars)

Unaudited

3. Significant accounting judgments, estimates and assumptions (continued)

Critical judgments in applying accounting policies

Income taxes – measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only become final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the consolidated financial statements.

Going concern – the assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its operations and working capital requirements as discussed in note 1.

Impairment assessment of investment in associate – Management's assessment as to whether there is any objective evidence that its net investment in the associate is impaired. Management must determine whether there has been a loss event that has an impact of the estimated future cash flows from the net investment that can be reliably estimated. Objective evidence that the net investment is impaired includes observable data that comes to the attention of the entity.

4. 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, 2020 totaled \$41,764 (December 31, 2019 - \$638,331). 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.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2020

(Expressed in Canadian Dollars)

Unaudited

5. Reverse take-over

On February 27, 2019, the Company entered into a Share Exchange Agreement ("SEA") with 2590672 Ontario under which a reverse acquisition transaction (the "Transaction") was completed. Under the terms of the SEA, the Company acquired all of the issued and outstanding common shares of 2590672 Ontario. Upon closing, former 2590672 Ontario's shareholders held approximately 85% of the outstanding shares of the Company. In substance, the Transaction involves former 2590672 Ontario's shareholders obtaining control of the Company; accordingly, the Transaction is considered to be a reverse acquisition transaction under which 2590672 Ontario is identified as the accounting acquirer.

Former Icon Exploration Inc. did not meet the definition of a business under IFRS 3 Business Combinations ("IFRS 3") prior to the Transaction, the future consolidated financial statements of the combined entity will represent the continuation of 2590672 Ontario. The Transaction is therefore accounted for in accordance with IFRS 2 Share-based Payment ("IFRS 2") whereby 2590672 Ontario is deemed to have issued shares in exchange for the net assets of Former Icon Exploration Inc. at the fair value of the consideration received by 2590672 Ontario.

As a result of this asset acquisition, a listing expense of \$14,905,141 has been recorded. This reflects the difference between the estimated fair value of consideration given is as follows:

Fair value of net assets acquired

Cash and cash equivalents	\$	120,469
Amounts receivable		17,484
Accounts payable and accrued liabilities		(319,277)
Listing expense		14,905,141
	\$	14,723,817

Consideration given

Common shares	\$	13,553,817
Stock options		1,170,000
	\$	14,723,817

6. Amounts receivable

	As at March 31, 2020	As at December 31, 2019
Sales tax receivable - Canada (i)	\$ 99,437	\$ 243,529

(i) Sales tax receivable is not past due.

City View Green Holdings Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2020

(Expressed in Canadian Dollars)

Unaudited

7. Promissory notes receivable

(i) On March 5, 2019, the Company entered into a loan agreement in the amount of \$200,000 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. The Company loaned an additional \$100,000 to 11103016 Canada in August 2019. On March 5, 2020, the Company extended the repayment date of the loan to December 31, 2020. As at March 31, 2020, the Company was owed \$325,526 (December 31, 2019 - \$314,761) including accrued interest.

(iii) In April 2019, the Company entered into a loan agreement with Budd Hutt, whereby the Company can advance up to \$400,000 per year to Budd Hutt by way of a single loan or multiple loans. On April 12, 2019, the Company advanced \$50,000. The loan bears interest rate of 8% per annum, calculated monthly not in advance. The loan is repayable on or before April 12, 2020. The Company loaned an additional \$32,000 in February 2020. As at March 31, 2020, the Company was owed \$90,573 (December 31, 2019 - \$57,510) including accrued interest.

Subsequent to March 31, 2020, the Company extended the repayment date of the loan to December 31, 2020.

8. Plant

Cost	Leasehold improvements
Balance, December 31, 2018	\$ 72,320
Additions	234,561
Balance, December 31, 2019	306,881
Balance, March 31, 2020	\$ 306,881

Accumulated depreciation	Leasehold improvements
Balance, December 31, 2018	\$ 8,439
Depreciation for the year	49,863
Balance, December 31, 2019	\$ 58,302
Depreciation for the period	15,343
Balance, March 31, 2020	\$ 73,645

Carrying value	Leasehold improvements
Balance, December 31, 2019	\$ 248,579
Balance, March 31, 2020	\$ 233,236

City View Green Holdings Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2020

(Expressed in Canadian Dollars)

Unaudited

9. Right-of-use assets

Cost	Brantford facility
Balance, December 31, 2018	\$ -
Additions - IFRS 16	2,103,944
Termination of lease (note 13(i))	(2,103,944)
Additions	3,647,330
Balance, December 31, 2019 and March 31, 2020	\$ 3,647,330

Accumulated depreciation	Brantford facility
Balance, December 31, 2019	\$ 151,972
Depreciation for the period	91,183
Balance, March 31, 2020	\$ 243,155

Carrying value	Brantford facility
Balance, December 31, 2019	\$ 3,495,358
Balance, March 31, 2020	\$ 3,404,175

10. Investment in associate

On November 5, 2018, the Company entered into an agreement with Budd Hutt whereby the Company and Budd Hutt will conduct a mutual share exchange consisting of the Company owning 19.9% of Budd Hutt, and Budd Hutt owning 19.9% of the Company. In connection with this transaction, the Company issued 29,968,427 shares valued at \$0.19 per share. The transaction closed on January 31, 2019.

On September 30, 2019, the Company acquired an additional 500,000 common shares of Budd Hutt with a deemed value of \$0.20 per share to settle \$100,000 of balance owed (see note 7). As a result, the Company owns 27.5% of Budd Hutt.

The Company has accounted for the transactions below as an investment in Budd Hutt, with an initial aggregate acquisition cost carrying value in the amount of \$5,719,080 (December 31, 2019 - \$nil), and will follow equity accounting, with a provision for write-downs, if required, in the future. Management determined that the Company has significant influence over these investments. The Company continues to review the accounting treatment for this investment and will make any adjustment in the future as required under IFRS.

	As at March 31, 2020	As at December 31, 2019
Acquisition costs	\$ 5,719,080	\$ 5,719,080
Share of loss in associate	(739,017)	(469,940)
Impairment loss from investment in associate	(4,149,140)	(4,149,140)
	\$ 830,923	\$ 1,100,000

City View Green Holdings Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2020

(Expressed in Canadian Dollars)

Unaudited

10. Investment in associate (continued)

The following is a summary of the financial information of Budd Hutt on a 100% basis as at the specified date and for the period then ended, as disclosed in the table below, which is the most recent publicly available information for Budd Hutt. The information is pursuant to Budd Hutt's management prepared (unaudited) financial statements as at and for the period ended March 31, 2020.

	As at March 31, 2020	As at December 31, 2019
Cash	\$ 3	\$ 16
Total current assets	165,811	165,824
Total non-current assets	3,481,205	4,496,081
Loans payable to the the Company	(90,574)	(57,510)
Total current liabilities	(2,654,477)	(2,558,145)
	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Net loss	\$ (978,460)	\$ -
Proportionate share of net loss	(269,077)	-

11. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities of the Company are principally comprised of amounts outstanding for purchases relating to general operating activities.

	As at March 31, 2020	As at December 31, 2019
Accounts payable	\$ 789,160	\$ 681,991
Accrued liabilities	25,250	41,758
Total accounts payable and accrued liabilities	\$ 814,410	\$ 723,749

12. Promissory note payable

On May 31, 2019, the Company issued a promissory note of \$450,000 to Rydan Financial Inc. ("Rydan"). The note bears interest rate of 20% per annum and due on May 31, 2020. The Company also issued to Rydan 3,000,000 warrants exercisable at \$0.15 and expiring on June 30, 2020. The promissory note is secured by a general security agreement covering all of the company's present and future assets.

Subsequent to March 31, 2020, in June 2020, the Company repaid \$250,000 plus interest of \$90,000, and agreed to repay the balance of the loan of \$200,000 in full on or before December 1, 2020. Interest at 10% per annum, calculated and corresponded monthly, shall accrue on the balance. The Company also issued to Rydan 1,000,000 warrants exercisable at \$0.15 and expiring on January 30, 2021.

City View Green Holdings Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2020

(Expressed in Canadian Dollars)

Unaudited

13. Lease liabilities

	Brantford facility
Balance, December 31, 2018	\$ -
Additions - IFRS 16	2,182,406
Termination of lease (i)	(2,166,565)
Additions (i)	3,647,330
Interest expense	363,688
Lease payments	(352,499)
Interest expense	118,921
Lease payments	(165,000)
	3,628,281
Less: current portion	(199,960)
Balance, March 31, 2020	\$ 3,428,321

(i) 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 property transfer to 2705279 Ontario Inc. As a result, the Company recorded a gain on lease termination of \$126,933.

Upon termination of the lease, the Company forgave the debt outstanding owing by 1985588 Ontario Inc. As a result, the Company recorded a loss on forgiveness of debt of \$123,674.

A new lease was entered between the new landlord, 2705279 Ontario Inc., for a term of 10 years commencing July 30, 2019 and ending July 31, 2029 .

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.

City View Green Holdings Inc.**Notes to Condensed Interim Consolidated Financial Statements****Three Months Ended March 31, 2020****(Expressed in Canadian Dollars)****Unaudited**

14. 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, 2018	115,293,328	\$ 4,531,663
Common shares issued for cash (i)	5,333,336	1,000,000
Share issuance cost (i)	-	(10,000)
Common shares issued pursuant to mutual share exchange (note 10)	29,968,427	5,619,080
Purchase of shares on RTO transaction	26,446,473	13,553,817
Balance, March 31, 2019	177,041,564	\$ 24,694,560
Balance, December 31, 2019 and March 31, 2020	186,397,937	\$ 25,987,484

- (i) 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 with share issuance costs of \$10,000.

City View Green Holdings Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2020

(Expressed in Canadian Dollars)

Unaudited

15. 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 15% 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.

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.

	Number of stock options	Weighted average exercise price
Balance, December 31, 2018	2,793,333	\$ 1.02
Terminated on RTO (i)	(2,793,333)	1.02
Issued on RTO (i)	11,173,332	0.51
Acquired on RTO	2,430,187	0.27
Balance, March 31, 2019	13,603,519	0.47
Balance, December 31, 2019 and March 31, 2020	19,119,732	\$ 0.36

- (i) On closing of the RTO transaction, the Company granted 11,173,332 stock options in exchange for the 2,793,999 stock options outstanding in 2590672 Ontario Inc. on an exchange ratio of 4:1 at exercise prices ranging from \$0.25 to \$0.75 per share for a period of 5 years from the date of issuance. The fair value of the 11,173,332 stock options granted is estimated at \$5,597,274 using the Black-Scholes model for option pricing. The assumptions underlying the fair value of the stock options were as follows: risk free interest rate - 1.82%; dividend yield - 0%; expected stock volatility - 201% and an option life - 5 years.

The following table reflects the actual stock options issued and outstanding as of March 31, 2020:

Expiry date	Exercise price (\$)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)
February 28, 2024	0.75	3.92	600,000	600,000
February 28, 2024	0.25	3.92	5,160,000	5,160,000
January 9, 2023	0.375	2.78	1,646,400	1,646,400
February 28, 2024	0.75	3.92	4,613,332	4,613,332
June 3, 2024	0.15	4.18	2,700,000	2,700,000
July 24, 2024	0.18	4.32	300,000	300,000
October 4, 2024	0.15	4.52	4,100,000	-
	0.36	3.99	19,119,732	15,019,732

City View Green Holdings Inc.**Notes to Condensed Interim Consolidated Financial Statements****Three Months Ended March 31, 2020****(Expressed in Canadian Dollars)****Unaudited**

16. Warrants

	Number of warrants	Weighted average exercise price
Balance, December 31, 2018 and March 31, 2019	-	\$ -
Balance, December 31, 2019 and March 31, 2020	15,101,333	\$ 0.18

The following table reflects the warrants issued and outstanding as of March 31, 2020:

Expiry date	Exercise price (\$)	Warrants outstanding
June 30, 2020	0.15	3,000,000
September 30, 2020	0.15	6,700,000
November 15, 2022	0.30	2,001,333
December 13, 2022	0.20	2,400,000
July 30, 2024	0.18	1,000,000
	0.18	15,101,333

17. 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, 2020	Three Months Ended March 31, 2019
Consulting	\$ 55,767	\$ 83,667
Professional feesation	11,056	-
Share-based compens	58,453	133,601
	\$ 125,276	\$ 217,268

As at March 31, 2020, \$89,881 (December 31, 2019 - \$75,208) included in accounts payable and accrued liabilities was payable to a key management personnel for expense reimbursement.

City View Green Holdings Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2020

(Expressed in Canadian Dollars)

Unaudited

18. Loss per share

For the three months ended March 31, 2020, basic and diluted loss per share has been calculated based on the loss attributable to common shares of \$837,542 (three months ended March 31, 2019 - \$15,792,273) and weighted average number of common shares outstanding of 186,397,937 (three months ended March 31, 2019 - 145,803,940). Diluted loss per share did not include the effect of stock options as they are anti-dilutive.

19. Subsequent events

On April 30, 2020, the Company closed an asset purchase transaction (the "Transaction") with Infusion Works Inc. ("Infusion Works"). The Transaction involved the acquisition of certain know-how, intellectual property and machinery related to food manufacturing, including baked goods, chocolates and other confectionary products containing various cannabinoids.

Pursuant to the Transaction, the Company acquired equipment for the production of cannabis-infused food products including certain intellectual property related to the production thereof. In addition, Infusion shall pay a deposit of \$439,238 (the "Deposit") to the Company to be used towards the purchase of certain new food manufacturing equipment and shall assign to City View the economic benefit of all existing contracts and future contracts or the contracts themselves at the time the Company receives the Licence (as defined hereinbelow).

In consideration, the Company will issue to Infusion an aggregate of 46,462,114 common shares in the capital of the Company ("Consideration Shares") issuable in three tranches, subject to an adjustment (the "Adjustment"). The first tranche was issued on April 30, 2020 and consisted of 9,042,422 shares. The second tranche shall be issued upon receipt by the Company of the Deposit, which is expected to occur not later than June 30, 2020 and shall consist of 13,938,635 shares. The third and final tranche (the "Third Tranche") shall be issued upon the receipt by the Company of a Health Canada licence under the Cannabis Act (the "Licence") and shall consist of 23,231,057 shares. Pursuant to the Adjustment, at the time of Third Tranche, the Company will issue to Infusion such number of shares equal to 19.99% of the amount by which the issued and outstanding number of shares on the date of issuance of the third tranche shares exceeds the sum of 232,926,785 and the number of shares issued under the Offering (as defined hereinbelow). Moreover, the Company and Infusion have entered into a profit sharing agreement pursuant to which the Company shall pay to Infusion 10% of its EBIT for a period of 3 years commencing on the date of receipt of the Licence, payable in shares at a price equal to the 15 day volume weighted average price of the shares on the CSE prior to the applicable period.

City View Green Holdings Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2020

(Expressed in Canadian Dollars)

Unaudited

19. Subsequent events (continued)

In connection with the Transaction, the Company and Infusion have each paid a finder a finder fee of 500,000 shares, for a total of 1,000,000 shares issuable in two equal tranches. The first tranche of the finders shares was paid on April 30, 2020 and the second tranche of finder shares shall be paid at the time of the Third Tranche.

In connection with closing of the Transaction, Mr. Don Robinson, the founder of Infusion Works, has been appointed as a director of City View. Upon receipt of the Licence, it is anticipated that Mr. Karl Wirtz will be appointed as a director of City View.

On April 30, 2020, the Company also completed the first tranche of its non-brokered private placement (the "Offering"), pursuant to which it has issued 10,600,000 units ("Units") in the capital of the Company at a price of \$0.05 per Unit for aggregate gross proceeds of \$530,000. Each Unit is composed of 1 common share of the Company and 1 share purchase warrant. Each warrant shall entitle the holder to purchase 1 share at a price of \$0.05 per warrant for a period of 3 years from the date of issuance, subject to an acceleration provision whereby, after one year from their date of issuance, if the closing price of the shares on the CSE is equal to or exceeds \$0.15 for a period of 10 consecutive trading days, then the Company may, at its option, accelerate the expiry date of the warrants to the date which is 30 days following the date upon which notice of the accelerated expiry date is provided by the Company to the holders of the warrants.

On May 23, 2020, the Company completed the second tranche of its non-brokered private placement, pursuant to which it has issued 6,000,000 Units for gross proceeds of \$300,000.

On June 18, 2020, the Company completed the third tranche of its non-brokered private placement, pursuant to which it has issued 7,750,000 Units for gross proceeds of \$387,500.

On May 28, 2020, the Company's directors approved the issue of 6,253,320 common shares to certain creditors of the Company to settle an aggregate debt of \$312,666. As of the financial statement date, the transaction had not yet closed.