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**CITY VIEW GREEN HOLDINGS INC.  
CONDENSED INTERIM CONSOLIDATED FINANCIAL  
STATEMENTS  
THREE AND SIX MONTHS ENDED  
JUNE 30, 2023  
(EXPRESSED IN CANADIAN DOLLARS)  
(UNAUDITED)**

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**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	June 30, 2023	December 31, 2022
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 1,030	\$ -
Amounts receivable (note 5)	51,184	95,202
Prepaid expenses	27,592	36,925
Promissory note receivable (note 6)	409,327	392,139
Due from related parties (note 16)	171,510	106,932
<b>Total current assets</b>	<b>660,643</b>	<b>631,198</b>
<b>Non-current assets</b>		
Plant and equipment (note 7)	913,045	1,062,705
<b>Total assets</b>	<b>\$ 1,573,688</b>	<b>\$ 1,693,903</b>
<b>DEFICIENCY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Bank overdraft	\$ -	\$ 494
Accounts payable and accrued liabilities (note 9)	1,917,558	1,868,703
Promissory notes payable (note 10)	307,290	293,790
Loans payable (note 11)	712,587	665,730
Due to related parties (note 16)	67,900	65,000
<b>Total current liabilities</b>	<b>3,005,335</b>	<b>2,893,717</b>
<b>Non-current liabilities</b>		
Promissory note payable (note 10)	223,233	213,315
<b>Total liabilities</b>	<b>3,228,568</b>	<b>3,107,032</b>
<b>Shareholders' deficiency</b>		
Share capital (note 13)	32,206,706	31,831,706
Shares to be issued	157,223	257,223
Contributed surplus (note 14)	8,121,153	8,113,253
Equity portion of convertible loan payable (note 11)	39,500	39,500
Deficit	(42,179,462)	(41,654,811)
<b>Total shareholders' deficiency</b>	<b>(1,654,880)</b>	<b>(1,413,129)</b>
<b>Total shareholders' deficiency and liabilities</b>	<b>\$ 1,573,688</b>	<b>\$ 1,693,903</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)

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 June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
<b>Revenue</b>	<b>\$ 2,251</b>	<b>\$ 51,480</b>	<b>\$ 8,582</b>	<b>\$ 112,200</b>
<b>Expenses</b>				
Consulting (note 16)	56,250	141,660	150,822	349,158
Depreciation (notes 7 and 8)	74,830	213,903	149,660	422,982
General and administration	67,499	60,099	110,645	113,332
Professional fees	41,919	74,016	79,969	123,341
Interest on loans and promissory notes payable (notes 10 and 11)	18,540	10,390	43,941	20,728
Accretion (note 11)	13,168	-	26,334	-
Rent	-	6,400	1,550	(6,932)
Interest on lease liabilities (note 12)	-	94,511	-	190,245
Supplies	-	105,643	-	128,875
Share-based compensation (note 14)	-	19,300	-	37,800
<b>Total expenses</b>	<b>272,206</b>	<b>725,922</b>	<b>562,921</b>	<b>1,379,529</b>
<b>Net loss before interest and undernoted items</b>	<b>(269,955)</b>	<b>(674,442)</b>	<b>(554,339)</b>	<b>(1,267,329)</b>
Interest income (note 6)	8,587	5,882	17,188	11,457
Gain on debt settlement (note 13)	12,500	-	12,500	31,545
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (248,868)</b>	<b>\$ (668,560)</b>	<b>\$ (524,651)</b>	<b>\$ (1,224,327)</b>
<b>Basic and diluted net comprehensive loss per share (note 17)</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>
<b>Weighted average number of common shares outstanding - basic and diluted</b>	<b>346,417,630</b>	<b>294,274,054</b>	<b>339,125,713</b>	<b>289,713,305</b>

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 Shareholders' Equity (Deficiency)

(Expressed in Canadian Dollars)

Unaudited

	Share capital		Shares to be issued	Contributed surplus	Equity portion of convertible loan payable	Deficit	Total
	Number of shares	Amount					
<b>Balance, December 31, 2021</b>	<b>283,412,270</b>	<b>\$ 30,298,577</b>	<b>\$ 351,789</b>	<b>\$ 8,665,993</b>	<b>\$ -</b>	<b>\$ (39,238,794)</b>	<b>\$ 77,565</b>
Units issued for cash	9,600,000	480,000	(275,000)	-	-	-	205,000
Fair value of warrants	-	(201,300)	-	201,300	-	-	-
Shares issued for debt settlement	1,261,784	56,780	-	-	-	-	56,780
Shares to be issued	-	-	130,434	-	-	-	130,434
Share-based compensation	-	-	-	37,800	-	-	37,800
Net loss and comprehensive loss for the period	-	-	-	-	-	(1,224,327)	(1,224,327)
<b>Balance, June 30, 2022</b>	<b>294,274,054</b>	<b>\$ 30,634,057</b>	<b>\$ 207,223</b>	<b>\$ 8,905,093</b>	<b>\$ -</b>	<b>\$ (40,463,121)</b>	<b>\$ (716,748)</b>
<b>Balance, December 31, 2022</b>	<b>321,254,625</b>	<b>\$ 31,831,706</b>	<b>\$ 257,223</b>	<b>\$ 8,113,253</b>	<b>\$ 39,500</b>	<b>\$ (41,654,811)</b>	<b>\$ (1,413,129)</b>
Shares issued for cash	24,833,335	372,500	(100,000)	-	-	-	272,500
Shares issued for debt settlement	500,000	2,500	-	-	-	-	2,500
Warrants issued for debt issue costs	-	-	-	7,900	-	-	7,900
Net loss and comprehensive loss for the period	-	-	-	-	-	(524,651)	(524,651)
<b>Balance, June 30, 2023</b>	<b>346,587,960</b>	<b>\$ 32,206,706</b>	<b>\$ 157,223</b>	<b>\$ 8,121,153</b>	<b>\$ 39,500</b>	<b>\$ (42,179,462)</b>	<b>\$ (1,654,880)</b>

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**

	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
<b>Operating activities</b>		
Net loss for the period	\$ (524,651)	\$ (1,224,327)
Adjustments for:		
Depreciation	149,660	422,982
Share-based compensation	-	37,800
Accrued interest	26,753	9,271
Interest expense on lease liabilities	-	190,245
Accretion	26,334	-
Gain on debt settlement	(12,500)	(31,545)
Changes in non-cash working capital items:		
Amounts receivable	44,018	(58,428)
Prepaid expenses	9,333	26,949
Accounts payable and accrued liabilities	71,755	396,687
<b>Net cash used in operating activities</b>	<b>(209,298)</b>	<b>(230,366)</b>
<b>Investing activities</b>		
Purchase of plant and equipment	-	(122,369)
<b>Net cash used in investing activities</b>	<b>-</b>	<b>(122,369)</b>
<b>Financing activities</b>		
Proceeds from issuance of shares and units, net of share issue costs	272,500	205,000
Proceeds from promissory notes payable	-	300,000
Advances to related parties	(61,678)	(50,000)
Shares to be issued	-	130,434
Repayment of lease liabilities	-	(265,908)
<b>Net cash provided by financing activities</b>	<b>210,822</b>	<b>319,526</b>
<b>Net change in cash and cash equivalents for the period</b>	<b>1,524</b>	<b>(33,209)</b>
<b>Cash and cash equivalents (bank overdraft), beginning of period</b>	<b>(494)</b>	<b>42,655</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 1,030</b>	<b>\$ 9,446</b>

Supplemental cash flow information (note 18)

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

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# City View Green Holdings Inc.

## Notes to Condensed Interim Consolidated Financial Statements

June 30, 2023

(Expressed in Canadian Dollars)

Unaudited

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### 1. Nature of operations and going concern

City View Green Holdings 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 *British Columbia Business Corporations Act*, 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 (the "CSE") under the symbol "CVGR". The Company's registered office is located at 1173 Dundas Street East, Suite 132, Toronto, Ontario, M4M 3P1.

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 June 30, 2023, the Company has an accumulated deficit of \$42,179,462 and a working capital deficit of \$2,344,692, and for the year then ended, the Company had a net loss of \$524,651. 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.

On April 30, 2021, the Company received a cannabis processing license from Health Canada. The processing license allows the Company to produce cannabis edibles and related products and allows the Company to conduct development activities, including the formulation of proprietary cannabis infused edibles. On April 21, 2022, the Company further received its cannabis research license from Health Canada.

### 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 August 25, 2023, 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, 2022. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2023 could result in restatement of these unaudited condensed interim consolidated financial statements.

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## City View Green Holdings Inc.

### Notes to Condensed Interim Consolidated Financial Statements

June 30, 2023

(Expressed in Canadian Dollars)

Unaudited

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### 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

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 expected life of the instruments.

Plant and equipment 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.

Recoverability of promissory notes receivable – Management's assessment of whether indicator of write off the receivable are present requires judgment based on facts and circumstances at reporting period ends.

#### 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.

Impairment of plant and equipment 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.

Intangible assets – The Company applies judgment to assess whether there are any indications that its intangible assets may be impaired. This assessment requires an assessment of external, internal and other indicators at the end of each reporting period.

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## City View Green Holdings Inc.

### Notes to Condensed Interim Consolidated Financial Statements

June 30, 2023

(Expressed in Canadian Dollars)

Unaudited

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#### 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, shares to be issued, contributed surplus, equity portion of convertible loan payable, and deficit, which at June 30, 2023 totaled a deficiency of \$1,654,880 (December 31, 2022 - deficiency of \$1,413,129). 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.

#### 5. Amounts receivable

	As at June 30, 2023	As at December 31, 2022
Sales tax recoverable (i)	\$ 44,593	\$ 95,202
Amounts receivable	6,591	-
	<b>\$ 51,184</b>	<b>\$ 95,202</b>

(i) Sales tax receivable is not past due.

#### 6. Promissory note receivable

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. In April 2021, the repayment date was extended to December 31, 2021, and in April 2022, the repayment date was further extended to December 31, 2022.

As at June 30, 2023, the Company was owed \$409,327 (December 31, 2022 - \$392,139) including accrued interest. The Company is currently negotiating the extension of the repayment date with 11103016 Canada.

## City View Green Holdings Inc.

### Notes to Condensed Interim Consolidated Financial Statements

June 30, 2023

(Expressed in Canadian Dollars)

Unaudited

#### 7. Plant and equipment

<b>Cost</b>	<b>Leasehold improvements</b>	<b>Equipment</b>	<b>Total</b>
Balance, December 31, 2021	\$ 1,106,281	\$ 1,402,823	\$ 2,509,104
Additions	89,674	93,779	183,453
Impairment (i)	(1,195,955)	-	(1,195,955)
Balance, December 31, 2022 and June 30, 2023	\$ -	\$ 1,496,602	\$ 1,496,602

<b>Accumulated depreciation</b>	<b>Leasehold improvements</b>	<b>Equipment</b>	<b>Total</b>
Balance, December 31, 2021	\$ 339,560	\$ 142,823	\$ 482,383
Depreciation for the year	235,750	291,074	526,824
Impairment (i)	(575,310)	-	(575,310)
Balance, December 31, 2022	-	433,897	433,897
Depreciation for the period	-	149,660	149,660
Balance, June 30, 2023	\$ -	\$ 583,557	\$ 583,557

<b>Carrying value</b>	<b>Leasehold improvements</b>	<b>Equipment</b>	<b>Total</b>
Balance, December 31, 2022	\$ -	\$ 1,062,705	\$ 1,062,705
Balance, June 30, 2023	\$ -	\$ 913,045	\$ 913,045

(i) During the year ended December 31, 2022, the Company impaired its leasehold improvements as the Company's lease was terminated (see note 12).

#### 8. Right-of-use assets

<b>Cost</b>	<b>Brantford facility</b>
Balance, December 31, 2021	\$ 3,316,387
Lease termination (note 12(i))	(3,316,387)
Balance, December 31, 2022 and June 30, 2023	\$ -

<b>Accumulated depreciation</b>	
Balance, December 31, 2021	\$ 820,077
Depreciation for the year	246,986
Lease termination (note 12(i))	(1,067,063)
Balance, December 31, 2022 and June 30, 2023	\$ -

<b>Carrying value</b>	
Balance, December 31, 2022	\$ -
Balance, June 30, 2023	\$ -

## City View Green Holdings Inc.

### Notes to Condensed Interim Consolidated Financial Statements

June 30, 2023

(Expressed in Canadian Dollars)

Unaudited

#### 9. 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 June 30, 2023	As at December 31, 2022
Accounts payable	\$ 1,242,317	\$ 1,312,612
Accrued liabilities	675,241	556,091
<b>Total accounts payable and accrued liabilities</b>	<b>\$ 1,917,558</b>	<b>\$ 1,868,703</b>

#### 10. Promissory notes payable

	Quinsam (i)	Therma (ii)	Other (iii)	Total
Balance, December 31, 2021	\$ 236,246	\$ -	\$ -	\$ 236,246
Promissory note advanced	30,000	200,000	100,000	330,000
Interest accrued	27,544	13,315	-	40,859
Repayment	-	-	(100,000)	(100,000)
Balance, December 31, 2022	293,790	213,315	-	507,105
Interest accrued	13,500	9,918	-	23,418
	307,290	223,233	-	530,523
Less: current portion	(307,290)	-	-	(307,290)
Balance, June 30, 2023	\$ -	\$ 223,233	\$ -	\$ 223,233

(i) In August 2021, the Company obtained a \$225,000 secured loan from Quinsam Capital Corporation ("Quinsam"). The loan is repayable by December 31, 2021, bears interest at 10% per annum, and is secured by the Company's assets.

In connection therewith, the Company issued 750,000 warrants to Quinsam. Each warrant is exercisable for one common share of the Company at a price of \$0.15 per share for a period of 2 years. The 750,000 warrants were valued at \$37,300 as estimated using the Black-Scholes model for pricing options under the following assumptions: risk free interest rate - 0.47%; dividend yield - 0%; expected stock volatility - 199% and an expected life of 2 years.

In April 2022, the Company extended the repayment date to December 31, 2022. In consideration, the Company agreed to issue 500,000 shares of the Company to Quinsam. As a result, \$15,000 was expensed to debt issue cost.

During the year ended December 31, 2022, the Company obtained an additional \$30,000 loan from Quinsam.

In April 2023, the Company further extended the repayment date to December 31, 2023.

As at June 30, 2023, the Company owed \$300,540 (December 31, 2022 - \$293,790) including accrued interest.

## City View Green Holdings Inc.

### Notes to Condensed Interim Consolidated Financial Statements

June 30, 2023

(Expressed in Canadian Dollars)

Unaudited

#### 10. Promissory notes payable (continued)

(ii) On May 2, 2022, the Company issued a promissory note in the amount of \$200,000 to Therma Bright Inc, ("Therma"), a company with common directors. The note is non-secured, bears interest of 10% per annum and is due on May 2, 2024. As at June 30, 2023, the Company owed \$218,246 (December 31, 2022 - \$213,315) including accrued interest.

(iii) On June 20, 2022, the Company issued a promissory note in the amount of \$100,000 to a third-party lender. The note bore interest at 0.005833% per month, and was due and was repaid on December 31, 2022.

As a security for the obligations, the Company provided a general security agreement to the lender. As additional interest, the Company issued 750,000 warrants of the Company. Each warrant is exercisable for one common share of the Company at a price of \$0.10 per share until June 20, 2024. The 750,000 warrants are valued at \$7,900 as estimated using the Black-Scholes model for pricing options under the following assumptions: risk free interest rate - 3.30%; dividend yield - 0%; expected stock volatility - 163% and an expected life of 2 years. As a result, the Company expensed \$7,900 to debt issue cost.

#### 11. Loans payable

	LOC Agreement (i)	CEBA (ii)	Total
Balance, December 31, 2021	\$ 233,720	\$ 40,000	\$ 273,720
Loan advanced	400,000	-	400,000
Equity portion of convertible loan payable	(39,500)	-	(39,500)
Interest accrued	18,344	-	18,344
Accretion	13,166	-	13,166
Balance, December 31, 2022	625,730	40,000	665,730
Interest accrued	20,523	-	20,523
Accretion	26,334	-	26,334
Balance, June 30, 2023	\$ 672,587	\$ 40,000	\$ 712,587

(i) On July 7, 2020, the Company entered into a revolving line of credit agreement (the "LOC Agreement") with a third party lender (the "Lender"), whereby the Company can obtain \$1,500,000 of revolving line of credit financing facility to be used exclusively for the purchase of the Company's business related equipment, deposits for construction work and tenant's improvements on the Company's Brantford facility, or for security, rental payments, taxes and insurance related thereto. The funds advanced under the LOC are non-secured and bore interest at a rate of 10% per annum.

During the year ended December 31, 2021, the LOC Agreement was amended to terminate on April 30, 2022 and bear interest at a rate of 7% per annum effective September 8, 2021.

In September 2022, the LOC Agreement was further amended. Under the terms of the amendment, the Lender may advance up to an additional \$500,000 under the LOC by December 15, 2022, upon certain conditions being met. The funds advanced under the LOC bear interest at a rate of 7% per annum. The Lender has the right at any time until maturity to elect, in its sole discretion, to convert all or any portion of the outstanding amount into fully paid as non-assessable shares at a price of \$0.05 per share. The LOC Agreement was amended to terminate on June 30, 2023. The Company bifurcated \$39,500 to equity and the remaining balance to the carrying value of the loan.

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## City View Green Holdings Inc.

### Notes to Condensed Interim Consolidated Financial Statements

June 30, 2023

(Expressed in Canadian Dollars)

Unaudited

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#### 11. Loans payable (continued)

(i) (continued) In consideration for lending the funds advanced, the Company issued to the Lender one unit of the Company for each full \$1 advanced. Each unit consisted of one common share of the Company and one common share purchase warrant. Each warrant entitled the Lender to purchase one common share of the Company at the greater of \$0.15 and a 25% premium to the market price of the Company's common shares at the time of issuance and expire in 2 years. In consideration, the Company issued:

- On July 20, 2020, 250,000 units valued at \$48,250, which consisted of 250,000 common shares valued at \$26,250 and 250,000 warrants valued at \$22,000 as estimated using the Black-Scholes model for pricing options under the following assumptions: risk free interest rate - 0.27%; dividend yield - 0%; expected stock volatility - 208% and an expected life of 2 years; and
- On September 16, 2020, 161,688 units valued at \$32,786, which consisted of 161,688 common shares valued at \$17,786 and 161,688 warrants valued at \$15,000 as estimated using the Black-Scholes model for pricing options under the following assumptions: risk free interest rate - 0.26%; dividend yield - 0%; expected stock volatility - 204% and an expected life of 2 year.

During the during the year ended December 31, 2021, the Company issued 2,755,900 common shares to settle \$220,472 of the LOC.

During the three and six months ended June 30, 2023, the Company recognized an accretion expense of \$13,168 and \$26,334, respectively (three and six months ended June 30, 2022 - \$nil).

(ii) In April 2020, the Company received \$40,000 under the Canada Emergency Business Account (CEBA) program. 25% of the loan is forgivable if repaid by December 31, 2022. The loan accrues no interest until December 31, 2023, and thereafter converts to a 2-year term loan with a 5% annual interest rate. Any portion of the loan is repayable without penalty at any time prior to December 31, 2025.

#### 12. Lease liabilities

	<b>Brantford facility</b>
Balance, December 31, 2021	\$ 2,957,989
Interest expense	283,493
Lease payments	(398,862)
Termination of lease (i)	(2,842,620)
Balance, December 31, 2022 and June 30, 2023	\$ -

(i) On October 3, 2022, the Company terminated its lease agreement with respect to its Brantford facility. As a result, the Company recorded a loss on lease termination of \$27,349.

**City View Green Holdings Inc.**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**June 30, 2023**  
**(Expressed in Canadian Dollars)**  
**Unaudited**

**13. 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, 2021	283,412,270	\$ 30,298,577
Units issued for cash (i)	9,600,000	480,000
Fair value of warrants (i)	-	(201,300)
Common shares issued for debt settlement (ii)	1,261,784	56,780
<b>Balance, June 30, 2022</b>	<b>294,274,054</b>	<b>\$ 30,634,057</b>
Balance, December 31, 2022	321,254,625	\$ 31,831,706
Common shares issued for cash (iii)(iv)	24,833,335	372,500
Common shares issued for debt settlement (v)	500,000	2,500
<b>Balance, June 30, 2023</b>	<b>346,587,960</b>	<b>\$ 32,206,706</b>

- (i) On March 17, 2022, the Company closed a non-brokered private placement, pursuant to which it issued an aggregate of 9,600,000 units for aggregate gross proceeds of \$480,000. Each unit is comprised of one common share of the Company and one share purchase warrant. Each warrant entitles the holder to purchase one common shares of the Company at a price of \$0.10 per share for a period of 2 years from the closing date, subject to acceleration from and after the date that is fourth months and one day after the closing date, if the closing price of the Company's common shares on the CSE is equal to or exceeds \$0.11 for 5 consecutive trading days, at which time the Company may accelerate the expiry date of the warrants to the date that is 30 following the date on which the Company issues notice to all the warrant holders of the new expiry date.

The 9,600,000 warrants issued were assigned a value of \$201,300 using the Black-Scholes valuation model using the following assumptions: unit price of \$0.05, weighted average risk-free rate of return of 1.89%, expected volatility of 198% based on historical trends, dividend yield of 0%, and expected life of 2 years.

- (ii) On March 17, 2022, the Company also issued 1,261,784 common shares to certain creditors of the Company to settle an aggregate debt of \$88,325. The common shares issued had a deemed price of \$0.045 based on the fair value and as a result, the Company recognized a gain on settlement of debt of \$31,545.
- (iii) On February 17, 2023, the Company closed the first tranche of a non-brokered private placement, pursuant to which it issued 21,666,668 common shares at \$0.015 per share for aggregate gross proceeds of \$325,000. A director of the Company subscribed for 3,333,334 shares for \$50,000.
- (iv) On March 20, 2023, the Company closed the second and final tranche of its non-brokered private placement, pursuant to which it issued 3,166,667 common shares at \$0.015 per share for aggregate gross proceeds of \$47,500. A director of the Company subscribed for 1,500,000 shares for \$22,500.
- (v) On May 1, 2023, the Company issued 500,000 common shares to a creditor of the Company to settle an aggregate debt of \$15,000. The common shares issued had a deemed price of \$0.005 based on the fair value and as a result, the Company recognized a gain on settlement of debt of \$12,500.

## City View Green Holdings Inc.

### Notes to Condensed Interim Consolidated Financial Statements

June 30, 2023

(Expressed in Canadian Dollars)

Unaudited

#### 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 may 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 terms at the discretion of the Board of Directors.

	Number of stock options	Weighted average exercise price
Balance, December 31, 2021	34,289,732	\$ 0.21
Granted (i)	500,000	0.10
Forfeited	(1,100,000)	0.10
Balance, June 30, 2022	33,689,732	\$ 0.21
Balance, December 31, 2022	32,009,732	\$ 0.21
Expired	(1,166,400)	0.38
Balance, June 30, 2023	30,843,332	\$ 0.21

- (i) On March 16, 2022, the Company granted 500,000 stock options to a consultant of the Company exercisable at \$0.10 per common share. The options vested immediately and expire in 3 years. The grant date fair value of \$18,500 was assigned to the stock options as estimated by using the Black-Scholes valuation model with the following assumptions: share price of \$0.045, expected dividend yield of 0%, expected volatility of 177%, risk-free rate of return of 1.90%, an expected maturity of 3 years, and forfeiture rate of 0%. For the three and six months ended June 30, 2023, \$nil (three and six months ended June 30, 2022 - \$nil and \$18,500, respectively) was expensed to share-based compensation.

The following table reflects the actual stock options issued and outstanding as of June 30, 2023:

Expiry date	Exercise price (\$)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)
February 18, 2024	0.12	0.64	600,000	600,000
February 28, 2024	0.75	0.67	600,000	600,000
February 28, 2024	0.25	0.67	4,560,000	4,560,000
February 28, 2024	0.75	0.67	3,013,332	3,013,332
June 3, 2024	0.15	0.93	1,750,000	1,750,000
July 24, 2024	0.18	1.07	300,000	300,000
October 4, 2024	0.15	1.27	3,150,000	3,150,000
December 22, 2024	0.10	1.48	3,250,000	3,250,000
March 16, 2025	0.10	1.71	500,000	500,000
September 14, 2025	0.10	2.21	12,920,000	12,920,000
October 7, 2025	0.10	2.27	200,000	200,000
	0.21	1.51	30,843,332	30,843,332

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**City View Green Holdings Inc.****Notes to Condensed Interim Consolidated Financial Statements****June 30, 2023****(Expressed in Canadian Dollars)****Unaudited**

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**15. Warrants**

	<b>Number of warrants</b>	<b>Weighted average exercise price</b>
Balance, December 31, 2021	59,385,377	\$ 0.11
Issued (i)(ii)	12,850,000	0.10
Expired	(6,700,000)	0.15
Balance, June 30, 2022	65,535,377	\$ 0.11
Balance, December 31, 2022	36,041,785	\$ 0.08
Issued (ii)	750,000	0.10
Expired	(27,312,500)	0.06
Balance, June 30, 2023	9,479,285	\$ 0.14

(i) During the six months ended June 30, 2023, the Company issued an aggregate of nil warrants (six months ended June 30, 2022 - 9,600,000 warrants) as a part of its non-brokered private placements. See note 13.

(ii) On May 2, 2022, the Company issued 3,250,000 share purchase warrants to a consultant in partial consideration for consulting advisory services. The warrants expire on December 31, 2022 and are each exercisable for one common share of the Company at a price of \$0.10 per share. The fair value of \$19,300 was assigned to the warrants and has been estimated using the Black-Scholes model for pricing warrants under the following assumptions: risk free interest rate - 2.66%; dividend yield - 0%; expected stock volatility - 139% and an expected life of 8 months. For the three and six months ended June 30, 2023, \$nil (three and six months ended June 30, 2022 - \$19,300) was expensed to share-based compensation.

The following table reflects the warrants issued and outstanding as of June 30, 2023:

<b>Expiry date</b>	<b>Exercise price (\$)</b>	<b>Warrants outstanding</b>
November 3, 2023	0.10	550,000
July 30, 2024	0.18	1,000,000
August 11, 2023	0.15	2,685,714
August 11, 2023	0.15	750,000
October 8, 2023	0.15	2,143,571
March 17, 2024	0.10	1,600,000
August 12, 2024	0.10	750,000
	0.14	9,479,285

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## City View Green Holdings Inc.

### Notes to Condensed Interim Consolidated Financial Statements

June 30, 2023

(Expressed in Canadian Dollars)

Unaudited

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#### 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:

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Consulting	\$ 56,250	\$ 61,250	\$ 112,500	\$ 132,500
Professional fees	24,804	10,789	36,529	22,259
	<b>\$ 81,054</b>	<b>\$ 72,039</b>	<b>\$ 149,029</b>	<b>\$ 154,759</b>

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As at June 30, 2023, \$612,769 (December 31, 2022 - \$547,524) included in accounts payable and accrued liabilities was payable to key management personnel.

As at June 30, 2023, the Company advanced \$171,510 (December 31, 2022 - \$92,375) to Budd Hutt Inc., a company in which the Company is a major shareholder of. The advance is non-interest bearing and repayable on demand.

As at June 30, 2023, the Company advanced \$nil to the CEO (December 31, 2022 - \$14,557) for expense reimbursements. The advance is non-interest bearing and repayable on demand.

As at June 30, 2023, the directors of the Company advanced a total of \$67,900 (December 31, 2022 - \$65,000). The advance is non-interest bearing and repayable on demand.

During the six months ended June 30, 2022, the directors of the Company subscribed for an aggregate of 2,000,000 units for gross proceeds of \$100,000.

#### 17. Loss per share

For the three and six months ended June 30, 2023, basic and diluted loss per share has been calculated based on the loss attributable to common shares of \$248,868 and \$524,651, respectively (three and six months ended June 30, 2022 - \$668,560 and \$1,224,327, respectively) and weighted average number of common shares outstanding of 346,417,630 and 339,125,713, respectively (three and six months ended June 30, 2022 - 294,274,054 and 289,713,305, respectively). Diluted loss per share did not include the effect of convertible debt, stock options, and warrants as they are anti-dilutive.

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**City View Green Holdings Inc.****Notes to Condensed Interim Consolidated Financial Statements****June 30, 2023****(Expressed in Canadian Dollars)****Unaudited**

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**18. Supplemental cash flow information**

Reconciliation of changes in liabilities to cash flows arising from financing activities, including changes arising from both cash and non-cash changes:

	<b>Accounts payable and accrued liabilities</b>	<b>Promissory notes payable</b>	<b>Loans payable</b>	<b>Due to related parties</b>	<b>Total</b>
Balance, December 31, 2022	\$ 1,868,703	\$ 507,105	\$ 665,730	\$ 65,000	\$ 3,106,538
Changes from financing cash flows					
Advances from related parties	-	-	-	2,900	2,900
Total changes from financing cash flows	-	-	-	2,900	2,900
Other changes					
Accrued interest	-	23,418	20,523	-	43,941
Accretion	-	-	26,334	-	26,334
Changes in non-cash working capital items	71,755	-	-	-	71,755
Debt settlement	(15,000)	-	-	-	(15,000)
Warrants issued for debt issue costs	(7,900)	-	-	-	(7,900)
Total other changes	48,855	23,418	46,857	-	119,130
Balance, June 30, 2023	\$ 1,917,558	\$ 530,523	\$ 712,587	\$ 67,900	\$ 3,228,568

**19. Subsequent events**

Subsequent to June 30, 2023, 3,435,715 warrants expired unexercised.

Subsequent to June 30, 2023, the LOC Agreement (note 11(i)) was amended to terminate on December 31, 2023. In connection with the amendment, the Company issued the Lender 3,250,000 share purchase warrants of the Company. The warrants expire on December 31, 2023 and are each exercisable for one common share of the Company at a price of \$0.10 per share.