RE: INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE THREE MONTHS ENDED JANUARY 31, 2019 AND 2018

The first quarter financial statements for the three months ended January 31, 2019 and 2018 have not been reviewed by the auditors of Captiva Verde Land Corp.

CAPTIVA VERDE LAND CORP.

"Anthony Balic"
Anthony Balic
Chief Financial Officer

Captiva Verde Land Corp.

Condensed Interim Financial Statements
For the three months ended January 31, 2019 and 2018
(Unaudited)
(amounts expressed in Canadian dollars, except where indicated)

Captiva Verde Land Corp.

Statement of Financial Position

(amounts expressed in Canadian dollars, except where indicated)

	Note	January 31, 2019	October 31, 2018
Assets			
Current Assets			
Cash		$ 28,098	$ 268,212
Other receivables		10,534	9,609
Total current assets		38,632	277,821
Land acquisition	5	1,656,185	1,374,605
Total assets		$ 1,694,817	$ 1,652,426
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		$ 325,882	$ 346,039
Total current liabilities		325,882	346,039
Total liabilities		$ 325,882	$ 346,039
Shareholders' equity			
Share capital	6	$ 1,900,960	$ 1,626,638
Warrants Reserves	6	396,713	47,627
Deficit		(928,738)	(367,878)
Total shareholders' equity		1,368,935	1,306,387
Total liabilities shareholders' equity		$ 1,694,817	$ 1,652,426

Nature of operations and going concern (note 1)
Subsequent events (note 9)

Approved by the Board of Directors

___________"Jeff Ciachurski"_____________ Director

Captiva Verde Land Corp.

Statement of Loss and Comprehensive Loss

For the period ended January 31, 2019 and 2018
(amounts expressed in Canadian dollars, except where indicated)

		Three months Ended January 31,	
	Note	**2019**	**2018**
Expenses			
Administrative fees		$ (59,112)	$ (3,716)
Consulting fees		(129,750)	(21,916)
Filing fees		(6,859)	(2,239)
Legal and professional fee		(1,597)	(7,106)
Foreign exchange loss		(18,690)	-
Stock-based compensation	6	(344,852)	-
Net loss		(560,860)	(34,977)
Other comprehensive (loss) income ("OCI")		-	-
Loss and comprehensive loss for the period		$ (560,860)	$ (34,977)
Loss per share			
Basic and diluted		$ (0.01)	(0.00)
Weighted average shares outstanding			
Basic and diluted		87,365,482	69,660,591

Captiva Verde Land Corp.

Statement of Changes in Shareholders' Equity

For the period ended January 31, 2019 and 2018
(amounts expressed in Canadian dollars, except where indicated)

	Notes	Shares	Share capital	Share based compensation reserves	Warrants reserves	Subscription proceeds received	Deficit	Total equity
Balance at October 31, 2018		85,648,091	$ 1,626,638	$ -	$ 47,627	$ -	$ (367,878)	1,306,387
Private placement		2,000,000	275,766	-	4,234	-	-	280,000
Private placement transaction cost			(1,444)	-	-	-	-	(1,444)
Stock-based compensation	6		-	344,852	-	-	-	344,852
Net loss for the period		-	-	-	-	-	(560,860)	(560,860)
Balance at January 31, 2019		87,648,091	$ 1,900,960	$ 344,852	$ 51,861	$ -	$ (928,738)	$ 1,368,935

	Notes	Shares	Share capital	Share based compensation reserves	Warrants reserves	Subscription proceeds received	Deficit	Total equity
Balance at October 31, 2017		69,660,591	$ 250,604	$ -	$ 35,090	$ -	$ (171,025)	$ 114,669
Net loss for the period		-	-	-	-	-	(34,977)	(34,977)
Balance at January 31, 2018		69,660,591	$ 250,604	$ -	$ 35,090	$ -	$ (206,002)	$ 79,692

Captiva Verde Land Corp.

Statement of Cash Flows

For the period ended January 31, 2019 and 2018
(amounts expressed in Canadian dollars, except where indicated)

	Note	Three months Ended January 31,	
		2019	2018
Cash used from operating activities			
Net loss for the period		$ (560,860)	$ (34,977)
Change in non-cash operating working capital			
Stock-based compensation	6	344,852	-
Foreign exchange		17,968	-
Decrease (increase) in prepaid expenses and other receivables		(926)	5,571
Increase (decrease) in accounts payable and accrued liabilities		(39,603)	69,240
Net cash used in operating activities		(238,569)	39,834
Cash flows from investing activities			
Land development		(280,101)	-
		(280,101)	-
Cash flows from financing activities			
Proceeds from private placement, net of transaction costs	6	278,556	-
Deferred issuance costs		-	(40,638)
		278,556	(40,638)
Increase in cash		(240,114)	(804)
Cash – beginning of year		268,212	155,984
Cash – end of year		$ 28,098	$ 155,180

1 Nature of business and continuing operations

Captiva Verde Land Corp. ("Captiva Verde" or the "Company") is a sustainable real estate company that invests in assets that contain green residential communities, disruptive manufacturing facilities, organic food production and Hemp Seed Oil operations.

Captiva Verde was incorporated as Just Baseball Limited and changed its name to Captiva Verde Land Corp. on March 3, 2017. The Company was incorporated under the British Columbia Business Corporations Act on November 9, 2015. The Company's registered and records office is located at 1500 Royal Centre, 1055 West Georgia Street, P.O. Box 11117, Vancouver, BC V6E 4N7.

These financial statements have been prepared on the basis that the Company is a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The nature of the Company's primary business is planned to be the acquisition, management, development, and possible sale of real estate projects in addition to organic food production and Hemp Seed Oil operations. The Company had a net loss of $560,860 for the period ended January 31, 2019 (January 31, 2018 - $34,977 loss) and as at January 31, 2019 has an accumulated deficit of $928,738 (October 31, 2018 - $367,878). As at January 31, 2019, the Company has working capital deficit of $287,250 (October 31, 2018 – 68,218). To date, the Company has no existing business operations and no history of earning or revenues. If the Company is unable to raise any additional funds to undertake planned development, it could have a material adverse effect on its financial condition and cause significant doubt about the Company's ability to continue as a going concern. If the going concern basis were not appropriate for these consolidated financial statements, then significant adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses, and the classifications used in the statement of financial position.

2 Basis of presentation and statement of compliance

These unaudited condensed interim financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB have been condensed or omitted and these unaudited condensed consolidated interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended October 31, 2018.

The Company's management makes judgments in its process of applying the Company's accounting policies in the preparation of its unaudited interim condensed financial statements. In addition, the preparation of the financial data requires that the Company's management make assumptions and estimates of the effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. The critical judgments and estimates applied in the preparation of the Company's unaudited condensed interim financial statements are consistent with those applied and disclosed in the Company's financial statements for the year ended October 31, 2018. In addition the accounting policies applied in these unaudited condensed interim financial statements are consistent with those applied and disclosed in the Company's audited financial statements for the year ended October 31, 2018.

The Company's interim results are not necessarily indicative of its results for a full year.

These interim financial statements were authorized for issue by the Board of Directors on April 1, 2019.

3 Significant accounting policies

Basis of presentation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values as described in the significant accounting policies. All information is expressed in Canadian dollars unless otherwise stated and are prepared in accordance with the significant accounting policies outlined below.

Certain other prior period balances have been reclassified to conform with current period presentation.

Cash

Cash includes cash on deposit and short-term investments with a maturity at the date of purchase of 90 days or less.

Financial Instruments – recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), loans and receivables, or other liabilities and held-to-maturity investments. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset. Financial assets classified as FVTPL are measured at fair values with unrealized gains and losses recognized through profit and loss.

Financial assets classified as loans and receivables and held-to-maturity are measured at amortized cost using the effective interest method less any allowance for impairment. The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Financial assets classified as Fair value though other comprehensive income ("FVTOCI") are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary or a significant or prolonged decline in the fair value of that investment is below its cost.

Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other-financial-liabilities.

Financial liabilities classified as other-financial-liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other-financial-liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Impairment of financial instruments

The Company assesses at each financial reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired using the following criteria:

- For FVTOCI financial assets, an impairment loss is established when there is a significant or prolonged decline in the fair value of the investment or when there is objective evidence that the carrying amount of the investment may not be recovered. The amount of the impairment loss is measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial assets previously recognized in the statement of loss and comprehensive loss. Any amounts related to that asset are removed from losses accumulated in the fair value reserve recognized in shareholder's equity and are included in the statement of loss and comprehensive loss. Reversals in respect of FVTOCI financial assets are not reversed through the statement of loss and comprehensive loss. Any increase in fair value subsequent to an impairment loss is recognized directly in other comprehensive income (loss) until the assets are disposed of.

- For loans and receivables, a provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor or delinquency in payments are considered indicators that a trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of provision account and the amount of the loss is recognized in the statement of loss and comprehensive loss. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the statement of loss and comprehensive loss.

Property held for development and sale

Capitalized costs for land under development and sale include costs of conversion and other costs relating to the development of the property.

Property held for development is recorded at the lower of cost and net realizable value.

Taxation

Income tax expense represents the sum of tax currently payable and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are substantively enacted at the end of each reporting period.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences, at the end of each reporting period, between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets and liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax assets or liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable or deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled by the parent, investor or venture and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax relating to items recognized directly in equity is recognized in the statements of changes in equity and not in the statements of loss and comprehensive loss.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Share-based payments

The Company accounts for share-based compensation using the Black-Scholes option pricing model. Accordingly, the fair value of the options at the date of grant is accrued with a corresponding credit to equity compensation reserve and charged to earnings over the vesting period. If, and when, the stock options are exercised, the applicable amounts of equity compensation reserve are transferred to share capital.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense. At the present time the Company has no provisions.

Earnings per share

Earnings per share is calculated based on the weighted average number of shares outstanding during the period. The Company follows the treasury stock method for the calculation of diluted earnings per share. Under this method, dilution is calculated based upon the net number of common shares issued should "in-the-money" options and warrants be exercised and the proceeds be used to repurchase common shares at the average market price in the year. Dilution from convertible securities is calculated based on the number of shares to be issued after takin into account the reduction of the related after-tax interest expense.

Basic earnings per share is computed by dividing net income by the weighted average number of common shares outstanding during the reporting period. Diluted earnings per share is computed similar to basic earnings per share except that the weighted average shares outstanding are increased to include additional shares from the assumed exercise of share options and warrants, if dilutive.

New Accounting Standards Adopted during the period

IFRS 9 – Financial Instruments ("IFRS 9")

In July 2014, the IASB issued the final version of IFRS 9 which replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on an entity's business model and the contractual cash flow of the financial asset. Classification is made at the time the financial asset is initially recognized, namely when the entity becomes a party to the contractual provisions of the instrument.

IFRS 9 amends some of the requirements of IFRS 7 Financial Instruments: Disclosures, including added disclosures about investments in equity instruments measured at fair value in other comprehensive income, and guidance on financial liabilities and derecognition of financial instruments. The amended standard was adopted on November 1, 2018 and did not have an impact on the financial statements.

IFRS 15 – Revenue from Contracts with Customers ("IFRS 15")

In May 2014, IASB issued IFRS 15 to replace IAS 18 – Revenue, which establishes a new single five-step control-based revenue recognition model for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The amended standard was adopted on November 1, 2018 and did not have an impact on the financial statements.

New Accounting Standards not yet adopted

IFRS 16 – Leases

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee The IASB issued IFRS 16, Leases, in January 2016, which replaces the current guidance in IAS 17. Under IAS 17, lessees were required to make a distinction between a finance lease and an operating lease. IFRS 16 requires lessees to recognize a lease liability reflecting future lease payments and a "right-of-use asset" for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, and will be adopted on November 1, 2018.

(amounts expressed in Canadian dollars, except where indicated)

4 Significant accounting estimates and judgments

The preparation of these financial statements in conformity with IFRS requires management to make judgments and estimates and form assumptions that affect the reporting amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period.

On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue, and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

5 Land acquisition agreement

On October 1, 2017, the Company entered into an acquisition agreement with Greenbriar Capital (U.S.) LLC to purchase a 50% undivided interest in approximately 132 acres of real property located in the City of Tehachapi, California, USA. The acquisition represents a non-arm's length transaction as the Chief Executive Officer of the Company, Jeffrey Ciachurski, is also the Chief Executive Officer of Greenbriar. The purchase price of $2,250,000 is divided into 5% payable by a one-year interest-free promissory note and 95% in common shares representing 10,687,500 common shares of the Company.

On October 9, 2018, the Company announced that pursuant to the terms of the acquisition agreement with Greenbriar, the Company completed the acquisition of the 50% undivided interest in a property located in Tehachapi, California. As consideration for the Acquisition, the Company issued 10,687,500 common shares of the Company to Greenbriar and the $112,500 one-year interest free loan was immediately settled in cash upon closing.

	January 31, 2019	October 31, 2018
Opening	$ 1,374,605	$ -
Shares issued (10,687,500 common shares at $0.10 per share)	-	1,068,750
Cash	-	112,500
Capitalized costs	281,580	193,355
	1,656,185	**1,374,605**

6 Share capital

a) Authorized and outstanding

The Company's authorized share capital consists of an unlimited number of common shares without par value. As at January 31, 2019 the issued and outstanding share capital consists of 87,648,091 common shares.

On April 26, 2017, Captiva Verde Land Corp. completed an acquisition pursuant to a plan of arrangement ("Plan of Arrangement") by entering into an arrangement agreement made effective as of February 21, 2017 (the "Arrangement Agreement") among the Company and Captiva Verde Industries Inc. ("CVI"), whereby CVI shareholders acquired shares of the Company (the "Transaction").

Pursuant to the Arrangement Agreement, the Company issued one share of the Company for every share of CVI to the shareholders of CVI. The Arrangement Agreement resulted in the issuance of 63,465,871 common shares of the Company to the shareholders of CVI at a deemed value of $nil.

Pursuant to the Transaction, the Company became a reporting issuer in British Columbia, Alberta and Ontario.

On July 4, 2017, the Company closed a private placement and issued 4,560,000 units at a price of $0.05 per unit for gross proceeds of $228,000. Each unit consists of one common share and one half common share purchase warrant. Each warrant will be exercisable into one common share at $0.10 for a period of five years after the closing date. The share purchase warrant's fair value of $29,021 was recorded in the reserves. The Company paid a finder's fee in the aggregate amount of $4,550 and incurred $6,564 in issuance costs.

On September 6, 2017, the Company closed a private placement and issued 900,000 units at a price of $0.05 per unit and on September 7, 2017, the Company closed a private placement and issued 150,000 units at a price of $0.05 per unit for total combined gross proceeds of $52,500. Each unit consists of one common share and one half common share purchase warrant. Each warrant will be exercisable into one common share at $0.10 for a period of five years after the closing date. The Company paid a finder's fee in the aggregate amount of $525 and incurred $5,837 in issuance costs.

On September 29, 2017, the Company closed a private placement and issued 584,720 units at a price of $0.05 per unit for gross proceeds of $29,236. Each unit consists of one common share and one half common share purchase warrant. Each warrant will be exercisable into one common share at $0.10 for a period of five years after the closing date. The Company incurred $8,130 in issuance costs.

On October 10, 2018, the Company closed a prospectus offering. Under the offering, the Company issued 5,000,000 common shares at a price of $0.10 per Share for gross proceeds of $500,000. PI Financial Corp. acted as sole agent for the Offering. In consideration for acting as agent, the Agent received a cash commission of $35,000, such amount being equal to 7% of the gross proceeds of the Offering, a corporate finance fee consisting of a cash portion and 300,000 common shares of the Company. The Company also issued the agent warrants to purchase 350,000 common shares of the Company at a price of $0.10 for a period of 36 months after closing of the Offering. All of the Corporate Finance Shares and a portion of the agent warrants were qualified for distribution under the Prospectus. The balance of the agent warrants is subject to a four-month hold period which will expire on February 10, 2019. The Company incurred transaction costs of $222,716 related to the prospectus which is recorded as a reduction of share capital. As at October 31, 2018 the Company had $nil (2017 - $3,675) in deferred prospectus costs.

On October 10, 2018, the Company also announced that pursuant to the terms of the acquisition agreement with Greenbriar Capital (U.S.) LLC ("Greenbriar"), it completed the acquisition of a 50% undivided interest in a property located in Tehachapi, California as further described in the Prospectus. As consideration for the Acquisition, the Company issued 10,687,500 common shares of the Company to Greenbriar and the $112,500 one-year interest free loan was immediately settled in cash upon closing.

On November 13, 2018, the Company closed a private placement and issued 2,000,000 units at $0.14 per unit for gross proceeds of $280,000. Each unit comprises one common share and one half of one common share purchase warrant with a whole warrant exercisable into one common share at a price of $0.25 for a period of one year from the date of closing. The Company incurred $1,444 in issuance costs.

b) Stock options

On November 29, 2018 the Company issued share-purchase options totaling 3,750,000 options at a price of $0.11 per share for a term of five years. The fair value of the share options was estimated at $344,852 on the date of grant using the Black-Scholes option pricing model, with the following assumptions: expected option life of 5 years, expected stock price volatility 156%, dividend payment during life of option was nil, risk free interest rate 2.36%, weighted average exercise price $0.11, weighted average fair value per option $0.09, weighted average share price $0.10.

c) Share purchase warrants

On July 4, 2017, the Company closed a private placement and issued 4,560,000 units. The total warrants issued were 2,280,000. The fair value of warrant was calculated at $25,758 and was determined on the date of the issuance using the Black-Scholes option pricing model with the following weighted average assumptions: 1.43% risk free interest rate, expected life of 5 years, 50% annualized volatility and 0% dividend rate.

On September 6, 2017, the Company closed a private placement and issued 900,000 and on September 7, 2017, the Company closed a private placement and issued 150,000 units. The total warrants issued were 525,000. The fair value of warrant was calculated at $5,986 and was determined on the date of the issuance using the Black-Scholes option pricing model with the following weighted average assumptions: 1.66% risk free interest rate, expected life of 5 years, 50% annualized volatility and 0% dividend rate.

On September 29, 2017, the Company closed a private placement and issued 584,720 units. The total warrants issued were 292,360. The fair value of warrant was calculated at $3,346 and was determined on the date of the issuance using the Black-Scholes option pricing model with the following weighted average assumptions: 1.75% risk free interest rate, expected life of 5 years, 50% annualized volatility and 0% dividend rate.

On October 10, 2018, the Company closed a prospectus offering and issued 5,000,000 units. The total agent warrants issued were 350,000. The fair value of warrant was calculated at $12,537 and was determined on the date of the issuance using the Black-Scholes option pricing model with the following weighted average assumptions: 2.32% risk free interest rate, expected life of 3 years, 50% annualized volatility and 0% dividend rate.

(amounts expressed in Canadian dollars, except where indicated)

On November 13, 2018, the Company closed a private placement and issued 2,000,000. The total warrants issued were 1,000,000. The fair value of warrant was calculated at $4,234 and was determined on the date of the issuance using the Black-Scholes option pricing model with the following weighted average assumptions: 2.28% risk free interest rate, expected life of 1 years, 50% annualized volatility and 0% dividend rate.

	January 31, 2019		October 31, 2018	
	Number of warrants	**Weighted average exercise price**	**Number of warrants**	**Weighted average exercise price**
Outstanding - beginning of year	3,447,360	$ 0.10	3,097,360	$ 0.10
Issued	1,000,000	0.10	350,000	0.10
Outstanding – as at period end	4,447,360	$ 0.10	3,447,360	$ 0.10

Number of warrants	Exercise price per warrant	Expiry date
2,280,000	$0.10	July 4, 2022
450,000	$0.10	September 6, 2022
75,000	$0.10	September 7, 2022
292,360	$0.10	September 29, 2022
350,000	$0.10	October 10, 2021
1,000,000	$0.10	November 13, 2019
4,447,360		

7 Financial instruments

The Company reports its financial instruments on its balance sheet and measures these at fair value. In limited circumstances when fair value may not be considered most relevant, they may be reported at cost or amortized cost. Gains or losses as a result of changes in fair value are recognized in the consolidated statement of operations and comprehensive loss.

The Company's financial instruments consist of cash, other receivables and accounts payable and accrued liabilities. The fair value of these financial instruments approximates the carrying value due to the short maturity or current market rate associated with these instruments.

(amounts expressed in Canadian dollars, except where indicated)

Categories of financial instrument

	January 31, 2019		October 31, 2018	
	Carrying value $	Fair value $	Carrying value $	Fair value $
Financial assets				
Fair value through profit and loss ("FVTPL")				
Cash	28,098	28,098	268,212	268,212
Loans and receivables				
Other receivables and advances	10,534	10,534	9,609	9,609
Financial liabilities				
Other financial liabilities				
Accounts payable and accrued liabilities	325,882	325,882	346,039	346,039

Fair value

Financial instruments measured at fair value are grouped into Level 1 to 3 based on the degree to which fair value is observable:

Level 1 – quoted prices in active markets for identical securities

Level 2 – significant observable inputs other than quoted prices included in Level 1

Level 3 – significant unobservable inputs

Cash is measured at Level 1.

The Company did not move any instruments between levels of the fair value hierarchy during the period ended January 31, 2019.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is currently not exposed to any interest rate risk.

Credit Risk

The Company is exposed to credit risk through its cash, which is held in large Canadian financial institutions with high credit rating, deposits and other receivables. The Company believes the credit risk is insignificant. The Company's exposure is limited to amounts reported within the statement of financial position.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure. In order to meet its financial obligations, the Company will need to generate cash flow from the development or sale of future properties or raise additional funds.

(amounts expressed in Canadian dollars, except where indicated)

8 Related party transactions

The Company's related parties include its subsidiaries, associates over which it exercises significant influence, and key management personnel. Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include officers, directors or companies with common directors of the Company.

The remuneration of the Company's directors and other key management personnel during the period ended January 31, 2019 and 2018 are as follows:

	January 31, 2019	January 31, 2018
Consulting fees	$ 7,500	$ 21,195

These expenses were measured at the exchange amounts agreed upon by the parties. As at January 31, 2019 the Company had amounts payable of $89,870 (October 31, 2018 - $73,798) to related parties. These amounts are unsecured and non-interest bearing.

During the period ended January 31, 2019, the Company paid a total of $47,306 (2017 - $nil) to a director and shareholder of the Company related to office space and administrative expenses.

For the period ended January 31, 2019 the Company accrued an amount of $12,000 payable to a director and shareholder of the Company related to office space and administrative expenses (October 31, 2018 - $40,000).

In addition, the Company also acquired the 50% interest in the development land from Greenbriar (see Note 5 for further information).

9 Subsequent events

On February 26, 2019, the Company closed a private placement and issued 3,000,000 units at $0.10 per unit for gross proceeds of $300,000. Each unit comprises one common share and one half of one common share purchase warrant with a whole warrant exercisable into one common share at a price of $0.25 for a period of one year from the date of closing.