

**RE: CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE  
THREE AND SIX MONTHS ENDED APRIL 30, 2019 AND 2018**

The second quarter financial statements for the six months ended April 30, 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 and six months ended April 30, 2019 and 2018

(Unaudited)

(amounts expressed in Canadian dollars, except where indicated)

**Captiva Verde Land Corp.**  
**Condensed Interim Statement of Financial Position**

(amounts expressed in Canadian dollars, except where indicated)

	Note	April 30, 2019	October 31, 2018
<b>Assets</b>			
<b>Current Assets</b>			
Cash		\$ 478,753	\$ 268,212
Other receivables		57,005	9,609
Total current assets		535,758	277,821
Land acquisition	5	1,935,324	1,374,605
Total assets		\$ 2,471,082	\$ 1,652,426
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		\$ 104,767	\$ 346,039
Subscription proceeds received	9	780,000	-
Total current liabilities		884,767	346,039
Total liabilities		\$ 884,767	\$ 346,039
<b>Shareholders' equity</b>			
Share capital	6	\$ 2,185,488	\$ 1,626,638
Warrants Reserves	6	732,920	47,627
Deficit		(1,332,093)	(367,878)
Total shareholders' equity		1,586,315	1,306,387
Total liabilities shareholders' equity		\$ 2,471,082	\$ 1,652,426

*Nature of operations and going concern (note 1)*

*Subsequent events (note 9)*

**Approved by the Board of Directors**

\_\_\_\_\_  
 "Jeff Ciachurski" Director

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 "Michael Boyd" Director

*The accompanying notes are an integral part of these condensed interim financial statements*

**Captiva Verde Land Corp.****Condensed Interim Statement of Loss and Comprehensive Loss**

(amounts expressed in Canadian dollars, except where indicated)

		<b>Three months Ended April 30,</b>		<b>Six Months Ended April 30,</b>	
	<b>Note</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<b>Expenses</b>					
Administrative fees		\$ (35,886)	\$ (261)	\$ (94,999)	\$ (3,977)
Consulting fees		(19,192)	(185)	(148,942)	(22,101)
Filing fees		(14,827)	-	(21,686)	(2,239)
Legal and professional fee		(17,742)	(7,757)	(19,339)	(29,113)
Foreign exchange loss		(11,103)	(608)	(29,793)	(608)
Stock-based compensation	6	(304,604)	-	(649,456)	-
<b>Loss and comprehensive loss for the period</b>		<b>\$ (403,354)</b>	<b>\$ (8,811)</b>	<b>(964,215)</b>	<b>(58,038)</b>
<b>Loss per share</b>					
Basic and diluted		\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.00)
<b>Weighted average shares outstanding</b>					
Basic and diluted		89,964,092	69,660,591	88,643,252	69,660,591

*The accompanying notes are an integral part of these condensed interim financial statements*

## Captiva Verde Land Corp.

### Statement of Changes in Shareholders' Equity

For the period ended April 30, 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
<b>Balance at October 31, 2018</b>		85,648,091	\$ 1,626,638	\$ -	\$ 47,627	\$ -	\$ (367,878)	1,306,387
Private placement		5,000,000	534,709	-	45,291	-	-	580,000
Private placement transaction cost			(10,994)	-	-	-	-	(10,994)
Warrants exercised		289,875	35,135		(9,454)	-	-	25,681
Stock-based compensation	6		-	649,456	-	-	-	649,456
Net loss for the period		-	-	-	-	-	(964,215)	(964,215)
<b>Balance at April 30, 2019</b>		87,648,091	\$ 2,185,488	\$ 649,456	\$ 83,464	\$ -	\$ (1,332,093)	\$ 1,568,315

	Notes	Shares	Share capital	Share based compensation reserves	Warrants reserves	Subscription proceeds received	Deficit	Total equity
<b>Balance at October 31, 2017</b>		69,660,591	\$ 250,604	\$ -	\$ 35,090	\$ -	\$ (171,025)	\$ 114,669
Net loss for the period		-	-	-	-	-	(58,038)	(58,038)
<b>Balance at April 30, 2018</b>		69,660,591	\$ 250,604	\$ -	\$ 35,090	\$ -	\$ (229,063)	\$ 56,631

*The accompanying notes are an integral part of these condensed interim financial statements*

# Captiva Verde Land Corp.

## Condensed Interim Statement of Cash Flows

For the period ended April 30, 2019 and 2018

(amounts expressed in Canadian dollars, except where indicated)

	Note	Three months Ended April 30,		Six Months Ended April 30	
		2019	2018	2019	2018
<b>Cash used from operating activities</b>					
Net loss for the period		\$ (403,354)	\$ (8,811)	\$ (964,215)	\$ (58,038)
Change in non-cash operating working capital					
Stock-based compensation	6	304,604	-	649,456	-
Foreign exchange		11,825	-	29,793	-
Decrease (increase) in prepaid expenses and other receivables		(46,471)	27,146	(47,397)	30,717
Increase (decrease) in accounts payable and accrued liabilities		424,894	7,621	385,292	95,511
<b>Net cash used in operating activities</b>		<b>291,498</b>	<b>25,956</b>	<b>52,929</b>	<b>68,190</b>
<b>Cash flows from investing activities</b>					
Land development		(151,474)	-	(431,575)	-
		(151,474)	-	(431,575)	-
<b>Cash flows from financing activities</b>					
Proceeds from private placement, net of transaction costs	6	281,643	-	560,199	-
Proceeds received from warrant exercises	6	28,988	-	28,988	-
Deferred issuance costs		-	(26,681)	-	(101,969)
		310,631	(26,681)	589,187	(101,969)
<b>Increase in cash</b>		<b>450,655</b>	<b>(725)</b>	<b>210,541</b>	<b>(33,779)</b>
<b>Cash – beginning of period</b>		<b>28,098</b>	<b>122,930</b>	<b>268,212</b>	<b>155,984</b>
<b>Cash – end of period</b>		<b>\$ 478,753</b>	<b>\$ 122,205</b>	<b>478,753</b>	<b>\$ 122,205</b>

The accompanying notes are an integral part of these condensed interim financial statements

# Captiva Verde Land Corp.

## Notes to the Condensed Interim Financial Statements

For the period ended April 30, 2019 and 2018

(amounts expressed in Canadian dollars, except where indicated)

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### 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 \$964,215 for the period ended April 30, 2019 (April 30, 2018 - \$58,038 loss) and as at April 30, 2019 has an accumulated deficit of \$1,332,093 (October 31, 2018 - \$367,878). As at April 30, 2019, the Company has working capital deficit of \$349,009 (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 June 24, 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.

# Captiva Verde Land Corp.

## Notes to the Condensed Interim Financial Statements

For the period ended April 30, 2019 and 2018

(amounts expressed in Canadian dollars, except where indicated)

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### **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 through 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.



# Captiva Verde Land Corp.

## Notes to the Condensed Interim Financial Statements

For the period ended April 30, 2019 and 2018

(amounts expressed in Canadian dollars, except where indicated)

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### **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.

# Captiva Verde Land Corp.

## Notes to the Condensed Interim Financial Statements

For the period ended April 30, 2019 and 2018

(amounts expressed in Canadian dollars, except where indicated)

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### 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 taking 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.

# Captiva Verde Land Corp.

## Notes to the Condensed Interim Financial Statements

For the period ended April 30, 2019 and 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 9, 2018, the Company closed the 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. 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.

	April 30, 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	560,719	193,355
	<b>1,935,324</b>	<b>1,374,605</b>

### 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 April 30, 2019 the issued and outstanding share capital consists of 90,937,966 common shares.

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

# Captiva Verde Land Corp.

## Notes to the Condensed Interim Financial Statements

For the period ended April 30, 2019 and 2018

(amounts expressed in Canadian dollars, except where indicated)

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.

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 \$291,193 and a reduction of accounts payable of \$8,807. 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 \$9,550 in issuance costs.

On February 7, 2019, 100,000 warrants were exercised and the Company received gross proceeds of \$10,000.

On March 14, 2019, 189,875 warrants were exercised and the Company received gross proceeds of \$18,988.

### 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 \$0.10, weighted average fair value per option \$0.09, weighted average share price \$0.10.

On March 15, 2019 the Company issued share-purchase options totaling 1,100,000 options at a price of \$0.30 per share for a term of five years. The fair value of the share options was estimated at \$304,604 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 178%, dividend payment during life of option was nil, risk free interest rate 1.62%, weighted average exercise price \$0.30, weighted average fair value per option \$0.28, weighted average share price \$0.29.

### c) Share purchase warrants

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.

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.

On February 26, 2019, the Company closed a private placement and issued 3,000,000. The total warrants issued were 1,500,000. The fair value of warrant was calculated at \$41,057 and was determined on the date of the issuance using the Black-Scholes option pricing model with the following weighted average assumptions: 1.76% risk free interest rate, expected life of 1 years, 50% annualized volatility and 0% dividend rate.

	April 30, 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	2,500,000	0.10	350,000	0.10
Exercised	(289,875)	0.10	-	-
Outstanding – as at period end	5,657,485	\$ 0.10	3,447,360	\$ 0.10

# Captiva Verde Land Corp.

## Notes to the Condensed Interim Financial Statements

For the period ended April 30, 2019 and 2018

(amounts expressed in Canadian dollars, except where indicated)

Number of warrants	Exercise price per warrant	Expiry date
2,280,000	\$0.10	July 4, 2022
350,000	\$0.10	September 6, 2022
75,000	\$0.10	September 7, 2022
292,360	\$0.10	September 29, 2022
160,125	\$0.10	October 10, 2021
1,000,000	\$0.10	November 29, 2019
1,500,000	\$0.10	February 26, 2020
5,657,485		

## 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.

### Categories of financial instrument

	April 30, 2019		October 31, 2018	
	Carrying value \$	Fair value \$	Carrying value \$	Fair value \$
<b>Financial assets</b>				
<i>Fair value through profit and loss ("FVTPL")</i>				
Cash	478,753	478,753	268,212	268,212
<i>Loans and receivables</i>				
Other receivables and advances	57,005	57,005	9,609	9,609
<b>Financial liabilities</b>				
<i>Other financial liabilities</i>				
Accounts payable and accrued liabilities	104,767	104,767	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 April 30, 2019.

# Captiva Verde Land Corp.

## Notes to the Condensed Interim Financial Statements

For the period ended April 30, 2019 and 2018

(amounts expressed in Canadian dollars, except where indicated)

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### 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.

## 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 April 30, 2019 and 2018 are as follows:

	April 30, 2019	April 30, 2018
Consulting fees	\$ 39,048	\$ 22,101

These expenses were measured at the exchange amounts agreed upon by the parties. As at April 30, 2019 the Company had amounts payable of \$nil (October 31, 2018 - \$73,798) to related parties. These amounts are unsecured and non-interest bearing.

During the period ended April 30, 2019 the Company accrued an amount of \$24,000 payable to a director and shareholder of the Company related to office space and administrative expenses (October 31, 2018 - \$40,000). During the period ended April 30, 2019, the Company paid a total of \$70,001 (2018 - \$nil) to a director and shareholder of the Company related to office space and administrative expenses.

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 May 8, 2019, the Company closed its non-brokered private placement (the "Private Placement") consisting of 4,125,000 Units ("Units") at a price of \$0.20 per Unit for gross proceeds of \$825,000. Each Unit is comprised of one common share of the Company (a "Share") and one half of one common share purchase warrant of the Company. Each whole warrant (a "Warrant") will be exercisable into a common share of the Company at an exercise price of \$0.35 with a one-year expiry.