**RE: INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE THREE AND SIX MONTHS ENDED APRIL 30, 2021 AND 2020**

The second quarter financial statements for the three and six months ended April 30, 2021 and 2020 have not been reviewed by the auditors of Captiva Verde Wellness Corp. (formerly Captiva Verde Land Corp.)

**CAPTIVA VERDE WELLNESS CORP.**
**(FORMERLY CAPTIVA VERDE LAND CORP.)**

"Anthony Balic"
**Anthony Balic**
Chief Financial Officer

# Captiva Verde Wellness Corp.
# (Formerly Captiva Verde Land Corp.)

Condensed Interim Financial Statements
For the three and six months ended April 30, 2021 and 2020
(Unaudited)
(amounts expressed in Canadian dollars, except where indicated)

# Captiva Verde Wellness Corp. (Formerly Captiva Verde Land Corp.)

Statement of Financial Position

(amounts expressed in Canadian dollars, except where indicated)

| | Note | April 30, 2021 | October 31, 2020 |
|---|---|---|---|
| **Assets** | | | |
| **Current Assets** | | | |
| Cash | | $ 43,951 | $ 19,439 |
| Other receivables | | 3,884 | 368,714 |
| Prepaids and advances | | 86,340 | 131,374 |
| Loan receivable | 10 | 486,666 | - |
| | | 620,841 | 519,527 |
| Solargram receivables | 5 | 2,932,211 | 2,763,931 |
| Mexico loan receivable | 6 | 250,826 | 142,445 |
| Sage ranch project | 4 | 5,451,380 | 5,026,598 |
| Solargram farms | 5 | 4,121,507 | 4,110,599 |
| Mexico operations | 6 | 989,622 | 741,590 |
| Right of use asset | 7 | 84,273 | 102,353 |
| Total assets | | $ 14,450,660 | $ 13,407,043 |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Accounts payable and accrued liabilities | | $ 438,012 | $ 1,682,349 |
| Loans payable | 10 | - | 1,020,556 |
| Lease liability | 7 | 29,565 | 29,565 |
| | | 467,577 | 2,732,470 |
| Lease liability | 7 | 52,864 | 67,095 |
| Total liabilities | | 520,441 | 2,799,565 |
| **Shareholders' equity** | | | |
| Share capital | | 11,311,793 | 9,997,458 |
| Share based compensation reserves | | 1,128,188 | 1,128,188 |
| Warrants reserves | | 3,579,990 | 3,309,463 |
| Subscription proceeds received in advance, net | 8 | 1,971,000 | - |
| Deficit | | (4,060,752) | (3,827,631) |
| Total shareholders' equity | | 13,930,219 | 10,607,478 |
| Total liabilities and shareholders' equity | | $ 14,450,660 | $ 13,407,043 |

*Nature of operations and going concern (note 1)*
*Commitments (note 11)*
*Subsequent event (note 13)*

## Approved by the Board of Directors

____________"Jeff Ciachurski"____________ Director ____________"Michael Boyd"____________ Director

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

## Captiva Verde Wellness Corp.
## (Formerly Captiva Verde Land Corp.)

Statement of Loss and Comprehensive Loss

For the period ended April 30, 2021 and 2020

(amounts expressed in Canadian dollars, except where indicated)

| | | Three months ended April 30, | | Six months ended April 30, | |
|---|---|---|---|---|---|
| | **Note** | **2021** | **2020** | **2021** | **2020** |
| **Expenses** | | | | | |
| Administrative fees | | $ (64,307) | $ (69,404) | $ (129,593) | $ (193,435) |
| Consulting fees | | (41,020) | (79,545) | (162,384) | (124,853) |
| Filing fees | | (19,229) | (8,869) | (33,919) | (17,580) |
| Legal and professional fee | | (34,509) | (135,546) | (38,828) | (477,462) |
| Foreign exchange loss | | 8,366 | (12,753) | 7,221 | (13,982) |
| Stock-based compensation | 8 | - | - | - | (546,072) |
| | | $ (150,699) | $ (306,117) | $ (357,503) | $ (1,373,384) |
| **Other (expenses) income, net** | | | | | |
| Lease amortization | 7 | (9,040) | - | (18,080) | - |
| Lease accretion | 7 | (6,811) | - | (6,811) | |
| Gain on shares for debt transaction | 8 | - | - | 89,273 | - |
| Other income | 5 | 30,000 | - | 60,000 | - |
| **Loss** | | (136,550) | (306,117) | (233,121) | (1,373,384) |
| **Loss per share** | | | | | |
| Basic and diluted | | $ (0.00) | $ (0.01) | $ (0.00) | $ (0.01) |
| **Weighted average shares outstanding** | | | | | |
| Basic and diluted | | 140,867,945 | 118,534,834 | 140,438,696 | 111,795,831 |

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

# Captiva Verde Wellness Corp.
# (Formerly Captiva Verde Land Corp.)
## Statement of Changes in Shareholders’ Equity
For the period ended April 30, 2021 and 2020
(amounts expressed in Canadian dollars, except where indicated)

| | Notes | Shares | Share capital | Share based compensation reserves | Warrants reserves | Subscription proceeds received in advance | Deficit | Total equity |
|---|---|---|---|---|---|---|---|---|
| **Balance at October 31, 2020** | | 136,924,561 | $ 9,997,458 | $ 1,128,188 | $ 3,309,463 | $ - | $ (3,827,631) | $ 10,607,478 |
| Shares for services | 8 | 2,975,766 | 654,669 | - | - | - | - | 654,669 |
| Private placement | 8 | 3440,740 | 655,542 | - | 273,458 | 1,971,000 | - | 2,900,000 |
| Share issuance costs | 8 | - | (13,807) | - | - | - | - | (13,807) |
| Warrants exercised | 8 | 150,000 | 17,931 | - | (2,931) | - | - | 15,000 |
| Loss for the period | | - | - | - | - | - | (233,121) | (233,121) |
| **Balance at April 30, 2021** | | 143,491,067 | $ 11,311,793 | $ 1,128,188 | $ 3,579,990 | $ 1,971,000 | $ (4,060,752) | $ 13,930,219 |
| | | | | | | | | |
| **Balance at October 31, 2019** | | 95,062,966 | $ 2,651,963 | $ 649,456 | 435,533 | $ 2,330,632 | $ (1,936,546) | $ 4,131,038 |
| Private placement | 8 | 19,394,000 | 3,152,406 | - | 1,877,982 | (2,330,632) | - | 2,699,756 |
| Private placement transaction cost | 8 | - | (24,005) | - | - | - | - | (24,005) |
| Shares for services | 8 | 1,284,229 | 321,057 | - | - | - | - | 321,057 |
| Land acquisition | 8 | 2,000,000 | 500,000 | - | - | - | - | 500,000 |
| Warrants exercised | 8 | 2,697,806 | 780,216 | - | (161,182) | - | - | 619,034 |
| Share subscriptions received | 12 | - | - | - | - | 20,000 | - | 20,000 |
| Stock-based compensation | 8 | - | - | 546,072 | - | - | - | 546,072 |
| Loss for the period | | - | - | - | - | - | (1,373,384) | (1,373,384) |
| **Balance at April 30, 2020** | | 120,439,001 | $ 7,381,637 | $ 1,195,528 | $ 2,152,333 | $ 20,000 | $ (3,309,930) | $ 7,439,568 |

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

**Captiva Verde Wellness Corp.**
**(Formerly Captiva Verde Land Corp.)**

# Statement of Cash Flows

For the period ended April 30, 2021 and 2020
(amounts expressed in Canadian dollars, except where indicated)

| | Note | Three months Ended April 30, | | Six Months Ended April 30 | |
|---|---|---|---|---|---|
| | | 2021 | 2020 | 2021 | 2020 |
| **Cash used from operating activities** | | | | | |
| Net loss for the period | | $ (136,550) | $ (306,117) | $ (233,121) | $ (1,373,384) |
| **Items not affecting cash** | | | | | |
| Lease amortization | 7 | 9,040 | - | 18,080 | - |
| Stock-based compensation | | - | - | - | 546,072 |
| Foreign exchange | | - | - | - | 1,623 |
| Gain on shares for debt transaction | | - | - | (89,273) | - |
| Lease accretion | 7 | 3,273 | - | 6,811 | - |
| **Change in non-cash operating working capital** | | | | | |
| Decrease (increase) in prepaid expenses and other receivables | | 321,690 | (301,621) | 409,864 | (418,765) |
| Increase (decrease) in accounts payable and accrued liabilities | | (515,169) | 601,358 | (500,395) | 857,368 |
| **Net cash used in operating activities** | | (317,716) | (6,380) | (388,034) | (387,086) |
| | | | | | |
| **Cash flows from investing activities** | | | | | |
| Sage Ranch | | (145,462) | (439,210) | (424,782) | (913,776) |
| Solargram Farms | | - | (1,458,426) | (10,908) | (2,097,574) |
| Mexico Operations | | (88,210) | (290,622) | (248,032) | (371,556) |
| | | (233,672) | (2,188,258) | (683,722) | (3,382,906) |
| **Cash flows from financing activities** | | | | | |
| Proceeds from private placement, net of transaction costs | 8 | 915,193 | 2,156,486 | 915,193 | 2,315,626 |
| Proceeds received from warrant exercises | 8 | 10,000 | 487,374 | 15,000 | 780,216 |
| Lease payments | | (6,983) | - | (21,042) | - |
| Loan Solargram | | (59,462) | - | (168,280) | - |
| Mexico loan receivable | | (108,381) | - | (108,381) | - |
| Loan payable | | (2,171,414) | - | (1,507,222) | - |
| Share subscription proceeds received in advance | | 1,971,000 | (562,112) | 1,971,000 | 20,000 |
| | | 549,953 | 2,081,748 | 1,096,268 | 3,115,842 |
| **Increase (decrease) in cash** | | (1,435) | (112,890) | 24,512 | (654,150) |
| **Cash – beginning of period** | | 45,386 | 194,111 | 19,439 | 735,371 |
| **Cash – end of period** | | $ 43,951 | $ 81,221 | $ 43,951 | $ 81,221 |

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

# 1 Nature of operations and continuing operations

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

The Company was incorporated under the British Columbia Business Corporations Act on November 9, 2015 and on May 21, 2021 changed its name from Captiva Verde Land Corp. to Captiva Verde Wellness Corp. 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 pharmaceutical products. The Company had a loss of $233,120 for the period ended April 30, 2021 and as at April 30, 2021 has an accumulated deficit of $4,060,752 and a working capital of $153,264. 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.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

# 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, 2020.

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, 2020. 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, 2020.

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 21, 2021.

# 3 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.

Areas that often require significant management estimates and judgment are as follows:

**Share-based payments**

Amounts recorded for share-based payments are subject to the inputs used in the Black-Scholes option pricing model, including estimates such as volatility, forfeiture, dividend yield and expected option life.

**Tax**

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable earnings will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable earnings together with future tax planning strategies.

**Functional currency**

The functional currency for the Company is the currency of the primary economic environment in which each operates. The Company's functional and local currency is the Canadian dollar. The determination of functional currency may require certain judgments to determine the primary economic environment. The Company reconsiders the functional currency used when there is a change in events and conditions which determined the primary economic environment.

**Assets' carrying values and impairment charges**

In determining carrying values and impairment charges the Company looks at recoverable amounts, defined as the higher of value in use or fair value less cost to sell in the case of assets, and at objective evidence that identifies significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

**Shares issued in non-cash transactions**

The valuation of shares issued in non-cash transactions. Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.

# 4 Sage ranch project

On October 9, 2018, the Company closed a transaction with Greenbriar Capital (U.S.) LLC ("Greenbriar") to earn into a 50% undivided interest in approximately 132 acres of real property located in the City of Tehachapi, California, USA. The transaction 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, the Company issued 10,687,500 common shares of the Company to Greenbriar and a $112,500 one-year interest free loan, which was immediately settled in cash upon closing.

On August 10, 2020, the Company entered into an option and joint venture agreement (the "Option and Joint Venture Agreement") with Greenbriar amending the terms of the original acquisition.

(amounts expressed in Canadian dollars, except where indicated)

*Option and Joint Venture Agreement*

Pursuant to the terms of the Option and Joint Venture Agreement, the Company's 50% interest in the land was converted into an option to earn (the "Option") a 50% net profits interest in the Tehachapi Property by:

1. paying Greenbriar a cash payment of $112,500 (the "Cash Payment" (the Company satisfied this payment in 2018 under the terms of the Acquisition Agreement);

2. issuing Greenbriar common shares (the "Share Payment") (the Company satisfied this payment in 2018 through the issuance of 10,687,500 common shares under the terms of the Acquisition Agreement); and

3. funding the applicable permitting and development costs for the Sage Ranch Project (the Company is current on such funding obligations).

The Company has until the earlier of: (i) August 20, 2025 and (ii) the date Greenbriar receives final approval from the City of Tehachapi (and other required regulatory approval) to build houses on the Tehachapi Property, to exercise the Option.

If the Company makes the payments summarized above by the required time, the Company will exercise the Option and will automatically acquire a 50% net profits interest in and to the Sage Ranch Project. If the Company exercises the Option, then the Company and Greenbriar will immediately enter into a joint venture (the "Joint Venture") pursuant to the terms of the Option and Joint Venture Agreement. Pursuant to the terms of the Joint Venture, Greenbriar and the Company are required to evenly split all net profits derived from the Sage Ranch Project.

Total payments, pursuant to the Option:

| | April 30, 2021 | October 31, 2020 |
|---|---|---|
| Opening | $ 5,026,598 | $ 2,423,055 |
| Additions – permitting and development costs | 424,782 | 2,603,543 |
| | **$ 5,451,380** | **$ 5,026,598** |

# 5 Solargram farms

On May 8, 2019, the Company entered into an agreement to acquire Solargram Farms Corporation ("Solargram"), a Canadian controlled private corporation, having corporate offices in Moncton, NB. As consideration the Company will issue 30,000,000 shares upon acquisition which had a prerequisite of Solargram obtaining their Cannabis Grow License by Health Canada. On June 29, 2020, Solargram received their Cannabis Grow License from Health Canada, and this transaction is expected to close once security checks of all the Company's insiders is completed. As at April 30, 2021, the transaction has not closed.

On September 26, 2019, the Company completed the acquisition of over 5 million square feet of land for cannabis production and 30,000 square feet of buildings to commence the infrastructure buildout for Solargram's Health Canada site evidence package as part of the final steps to obtaining an outdoor organic grow license. Subsequent to entering into the agreement with Solargram, a shareholder of Solargram became the Vice President of the Company.

On November 30, 2020, the Company completed its first large scale cannabis outdoor farm harvest with record THC and terpene results.

On January 26, 2021, the Company has now additionally been approved of a Canadian Federal Health Canada sales and processing license.

(amounts expressed in Canadian dollars, except where indicated)

Property, plant and equipment (construction in progress):

| | April 30, 2021 | October 31, 2020 |
|---|---|---|
| Opening | $ 4,110,599 | $ 1,231,996 |
| Additions | 10,908 | 2,878,603 |
| | **$ 4,121,507** | **$ 4,110,599** |

During the period ended April 30, 2021, the Company charged Solargram $60,000 (2021 - $nil) in lease fees for the use of the Company's land and buildings in New Brunswick. This amount is recorded in other income in the statement of loss and comprehensive loss. During the period ended April 30, 2021, the Company had a total of $2,932,211 (October 31, 2020 – 2,763,931) in receivables from Solargram relating to the Company funding Solargram operations until the acquisition closes. The receivable has no repayment terms, is non-secured and non-interest bearing.

# 6 Mexico operations

In January 2020, the Company entered into an exchange agreement with Salud Esmeralda de Mexico SA de CV ("Esmeralda") for the exchange of all of the shares of Esmeralda for 80,000,000 common shares of the Company. The shares are subject to a pooling agreement for one year. Jeff Ciachurski, CEO, is a shareholder of Esmeralda. Prior to finalizing the agreement, $211,607 was expensed to the statement of loss and comprehensive loss and subsequent to finalizing the agreement the Company capitalized $250,826 in receivables from Esmeralda relating to the Company funding Esmeralda operations until the acquisition closes. The receivable has no repayment terms, is non-secured and non-interest bearing.

Esmeralda and its principals acquired from another Mexican corporation, a comprehensive pharmaceutical license to sell, market and distribute pharmaceutical, health, wellness and veterinarian products which include all psychoactive and non-psychoactive drugs listed under Groups I, II & III.

The Company has capitalized $989,622 related to project construction costs in connection with the Company's building in Ensenada Mexico.

Property, plant and equipment (construction in progress):

| | April 30, 2021 | October 31, 2020 |
|---|---|---|
| Opening | $ 741,590 | $ - |
| Additions | 248,032 | 741,590 |
| | **$ 989,622** | **$ 741,590** |

# 7 Right of use asset and lease liability

| **Right of use asset** | **April 30, 2021** | **October 31, 2020** |
|---|---|---|
| Opening balance | $ 102,353 | $ - |
| Establishment of lease | - | 108,380 |
| Less: amortization | 18,080 | (6,027) |
| | $ 84,273 | $ 102,353 |

(amounts expressed in Canadian dollars, except where indicated)

| **Lease liability** | **April 30, 2021** | **October 31, 2020** |
|---|---|---|
| Opening balance | $ 96,660 | $ - |
| Establishment of lease liabilities | - | 108,380 |
| Lease payments | (21,042) | (14,311) |
| Accretion | 6,811 | 2,591 |
| | $ 82,429 | $ 96,660 |
| Less: current portion | (29,565) | (29,565) |
| Classified as long-term liability | $ 56,574 | $ 67,095 |

| **Undiscounted lease payments** | **April 30, 2021** | **October 31, 2020** |
|---|---|---|
| Not later than a year | $ 42,084 | $ 42,084 |
| Later than a year | 52,610 | 72,653 |
| | $ 94,694 | $ 115,737 |

The Company's leases relate to equipment leases. Depreciation of right-to-use assets is calculated using the straight-line method over the remaining lease term. The lease is accounted for using a discount rate used of 12% over 36 months.

# 8 Share capital and reserves

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, 2021 the issued and outstanding share capital consists of 143,491,067 common shares.

**Fiscal 2021**

On November 25, 2020 the Company issued of an aggregate of 2,975,766 common shares to settle approximately $744,000 in debt owed to creditors. The fair value of the shares issued was $654,669 and as part of the transaction the Company recorded a gain in settlement of debt of $89,273.

On March 12, 2021 the Company closed a non-brokered private placement consisting of 2,700,000 units at a price of $0.27 for total gross proceeds of $729,000. Each unit is comprised of one common share of the Company and one common share purchase warrant of the Company. Each warrant is exercisable into a common share of the Company at an exercise price of $0.75 for a period of two years.

The total warrants issued were 2,700,000. The fair value of warrant was calculated at $217,965 and was determined on the date of the issuance using the Black-Scholes option pricing model with the following weighted average assumptions: 0.25% risk free interest rate, expected life of 2 years, 116% annualized volatility and 0% dividend rate.

On March 22, 2021 the Company closed a non-brokered private placement consisting of 740,740 units at a price of $0.27 for total gross proceeds of $200,000. Each unit is comprised of one common share of the Company and one common share purchase warrant of the Company. Each warrant is exercisable into a common share of the Company at an exercise price of $0.75 for a period of two years. As part of the financing, the Company incurred $13,807 in transaction costs. The Company also received $1,971,000 in subscription proceeds received in advance from Greenbriar who are waiting for exchange approval for the 7,300,000 unit investment.

The total warrants issued were 740,740. The fair value of warrant was calculated at $55,493 and was determined on the date of the issuance using the Black-Scholes option pricing model with the following weighted average assumptions: 0.26% risk free interest rate, expected life of 2 years, 114% annualized volatility and 0% dividend rate.

During the period ended April 30, 2021, the Company issued 150,000 common shares related to warrants exercises for gross proceeds of $15,000.

**Fiscal 2020**

On November 26, 2019, the Company closed a non-brokered private placement consisting of 9,474,000 units at a price of $0.25 for total gross proceeds of $2,358,500 and a reduction of accounts payable of $10,000. $2,358,520 of the gross proceeds were received in fiscal 2019 as shares subscriptions received in advance. Each unit is comprised of one common share of the Company and one common share purchase warrant of the Company. Each warrant is exercisable into a common share of the Company at an exercise price of $0.75 for a period of two years. As part of the financing, the Company incurred $37,888 in transaction costs.

The total warrants issued were 9,474,000. The fair value of warrant was calculated at $856,123 and was determined on the date of the issuance using the Black-Scholes option pricing model with the following weighted average assumptions: 1.57% risk free interest rate, expected life of 2 years, 155% annualized volatility and 0% dividend rate.

The Company also closed the purchase of a 5 acre land parcel (formerly owned by the Government) located adjacent the Company's current land holdings in Tehachapi, California called The Sage Rach Project. As consideration, the Company issued the vendor an aggregate of 2,000,000 common shares of the Company with a fair value of $500,000, paid USD $160,000 in cash and Greenbriar transferred a 28 acre parcel of land in Tehachapi, that is not part of the Sage Ranch project.

The Company also issued an aggregate of 1,284,299 common shares at a fair value of $321,057 in payment of professional legal services with an arm's length service provider in fiscal 2020.

On February 14, 2020, the Company closed a non-brokered private placement consisting of 9,920,000 units at a price of $0.25 for total gross proceeds of $1,970,000 and a reduction of $510,000 in accounts payable. Each unit is comprised of one common share of the Company and one-half common share purchase warrant of the Company. Each full warrant is exercisable into a common share of the Company at an exercise price of $0.75 for a period of two years. As part of the financing, the Company incurred $14,210 in transaction costs.

The total warrants issued were 4,960,000. The fair value of warrant was calculated at $652,555 and was determined on the date of the issuance using the Black-Scholes option pricing model with the following weighted average assumptions: 1.49% risk free interest rate, expected life of 2 years, 191% annualized volatility and 0% dividend rate.

On June 11, 2020, the Company closed a non-brokered private placement consisting of 15,200,000 units at a price of $0.25 for total gross proceeds of $3,108,515 and a reduction of accounts payable of $691,485. Each unit is comprised of one common share of the Company and one common share purchase warrant of the Company. Each warrant is exercisable into a common share of the Company at an exercise price of $0.75 for a period of two years. As part of the financing, the Company incurred $30,451 in transaction costs.

The total warrants issued were 15,200,000. The fair value of warrant was calculated at $1,532,954 and was determined on the date of the issuance using the Black-Scholes option pricing model with the following weighted average assumptions: 0.27% risk free interest rate, expected life of 2 years, 182% annualized volatility and 0% dividend rate.

During the year ended October 31, 2020 the Company issued 3,233,366 common shares related to warrants exercises for gross proceeds of $682,577.

On August 5, 2020, 750,000 options were exercised for gross proceeds of $82,500.

b) Stock options

The Board of Directors may grant options to purchase shares from time to time, subject to the aggregate number of common shares of the Company issuable under all outstanding stock options of the Company not exceeding 10% of the issued and outstanding common shares of the Company at the time of the grant. The options are exercisable over a period established at the time of issuance to buy shares of the

(amounts expressed in Canadian dollars, except where indicated)

Company at a price not less than the closing market price prevailing on the date immediately preceding the date the option is granted. The vesting schedule for an option, if any, shall be determined by the Board of Directors at the time of issuance.

A summary of stock option information as at April 30, 2021 and October 31, 2020 is as follows:

| | April 30, 2021 | | October 31, 2020 | |
|---|---|---|---|---|
| | Number of shares | Weighted average exercise price | Number of shares | Weighted average exercise price |
| Outstanding – beginning of year | 6,100,000 | $ 0.21 | 4,850,000 | $ 0.15 |
| Granted | - | - | 2,000,000 | 0.30 |
| Exercised | - | - | (750,000) | 0.11 |
| Outstanding – end of period | 6,100,000 | 0.21 | 6,100,000 | $ 0.21 |

The following table discloses the number of options and vested options outstanding as at April 30, 2021:

| Number of options outstanding | Weighted average exercise price | Weighted average remaining contractual life (years) | Number of options outstanding and exercisable | Weighted average exercise price | Weighted average remaining contractual life (years) |
|---|---|---|---|---|---|
| 3,000,000 | $0.11 | 2.58 | 3,000,000 | $0.11 | 3.08 |
| 3,100,000 | $0.30 | 3.37 | 3,100,000 | $0.30 | 3.87 |
| **6,100,000** | **$0.21** | **2.98** | **6,100,000** | **$0.21** | **3.48** |

The following table discloses the number of options and vested options outstanding as at October 31, 2020:

| Number of options outstanding | Weighted average exercise price | Weighted average remaining contractual life (years) | Number of options outstanding and exercisable | Weighted average exercise price | Weighted average remaining contractual life (years) |
|---|---|---|---|---|---|
| 3,000,000 | $0.11 | 3.08 | 3,000,000 | $0.11 | 3.08 |
| 3,100,000 | $0.30 | 3.87 | 3,100,000 | $0.30 | 3.87 |
| **6,100,000** | **$0.21** | **3.48** | **6,100,000** | **$0.21** | **3.48** |

c) Share purchase warrants as at April 30, 2021 and October 31, 2020:

| | April 30, 2021 | | October 31, 2020 | |
|---|---|---|---|---|
| | Number of warrants | Weighted average exercise price | Number of warrants | Weighted average exercise price |
| Outstanding - beginning of year | 31,952,579 | $ 0.70 | 7,719,985 | $ 0.22 |
| Issued | 3,440,740 | 0.75 | - | - |
| Issued | - | - | 29,634,000 | 0.75 |
| Expired | - | - | (2,168,040) | 0.35 |
| Exercised | (150,000) | - | (3,233,366) | 0.21 |
| Outstanding – end of period | 35,243,319 | $ 0.70 | 31,952,579 | $ 0.70 |

(amounts expressed in Canadian dollars, except where indicated)

| Number of warrants | Exercise price per warrant | Expiry date |
|---|---|---|
| 1,655,000 | $0.10 | July 4, 2022 |
| 250,000 | $0.10 | September 6, 2022 |
| 175,000 | $0.10 | September 29, 2022 |
| 88,579 | $0.10 | October 10, 2021 |
| 9,474,000 | $0.75 | November 26, 2021 |
| 4,960,000 | $0.75 | February 14, 2022 |
| 15,200,000 | $0.75 | June 11, 2022 |
| 2,700,000 | $0.75 | March 12, 2023 |
| 740,740 | $0.75 | March 22, 2023 |
| Total: 35,243,319 | | |

As at April 30, 2021, the weighted average exercise price of the warrants outstanding was $0.71 (October 31, 2020 - $0.70) with a weighted average remaining contractual life of 1.00 years (October 31, 2020 – 1.41 years).

## 9 Financial instruments

The Company reports its financial instruments on its statement of financial position 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 loss and comprehensive loss.

The Company's financial instruments consist of cash, receivables (Solargram, Mexico and other), accounts payable and accrued liabilities and loans payable. The fair value of these financial instruments, excluding cash, approximates the carrying value due to the short maturity or current market rate associated with these instruments. Cash is carried at a level 1 measurement.

(amounts expressed in Canadian dollars, except where indicated)

**Categories of financial instrument**

| | April 30, 2021 | | October 31, 2020 | |
|---|---|---|---|---|
| | **Carrying value $** | **Fair value $** | **Carrying value $** | **Fair value $** |
| **Financial assets** | | | | |
| *Fair value through profit and loss ("FVTPL")* | | | | |
| Cash | 43,951 | 43,951 | 19,439 | 19,439 |
| *Amortized cost* | | | | |
| Other receivables and advances | 3,884 | 3,884 | 368,714 | 368,714 |
| Loan receivable | 486,666 | 486,666 | - | - |
| Solargram receivables | 2,932,211 | 2,932,211 | 2,763,931 | 2,763,931 |
| Mexico loan receivable | 250,826 | 250,826 | 142,445 | 142,445 |
| **Financial liabilities** | | | | |
| *Other financial liabilities* | | | | |
| Accounts payable and accrued liabilities | 438,012 | 438,012 | 1,682,349 | 1,682,349 |
| Loans payable | - | - | 1,020,556 | 1,020,556 |
| Lease liability | 82,429 | 82,429 | 96,660 | 96,660 |

**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

The Company did not move any instruments between levels of the fair value hierarchy during the period ended April 30, 2021.

**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. Receivables are primarily due from related entities and government agencies. 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.

## 10 Related party transactions

The Company's related parties include its 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.

These expenses were measured at the exchange amounts agreed upon by the parties. As at April 30, 2021 the Company had amounts payable of $34,079 (October 31, 2020 - $274,215) to related parties. These amounts are unsecured and non-interest bearing.

During the period ended April 30, 2021 the Company incurred share-based payment expenses of $nil to related parties (April 30, 2020 - $344,852).

During the period ended April 30, 2021 the Company incurred an expense of $30,000 to a Company controlled by an executive related to consulting expenses (April, 2020 - $49,000).

During the period ended April 30, 2021 the Company incurred an expense of $54,000 to a director and shareholder of the Company related to office space and administrative expenses (April 30, 2020 - $54,000) and also paid legal fees on their behalf of $nil (April 30, 2020 - $71,956). As at April 30, 2021, the Company owed $34,079 (October 31, 2020 - $52,696) related to these expenses.

The Company entered into an agreement to earn a 50% interest in the development land from Greenbriar (see Note 5 for further information). As at April 30, 2021 the Company had a loan receivable of $486,666 (October 31, 2020 - $920,556 loan payable) to Greenbriar. The loans are unsecured, non-interest bearing demand loans.

As at April 30, 2021 the Company had a non-interest bearing loan payable of $nil (October 31, 2020 -$100,000) payable on demand to a Company controlled by an executive.

The Company has entered into an exchange agreement with Esmeralda for the exchange of all of the shares of Esmeralda for 80,000,000 common shares of the Company. Jeff Ciachurski, CEO, is a shareholder of Esmeralda. As at the period ended April 30, 2021 this transaction has not yet closed. As at April 30, 2021, to Company had $250,826 (October 31, 2020 - $142,445) in receivables from Esmeralda relating to the Company funding Esmeralda operations until the acquisition closes. The receivables are unsecured, non-interest bearing demand loans. (see Note 6 for more information).

During the period ended April 30, 2021, the Company charged Solargram $60,000 (January 31, 2020 - $nil) in lease fees for the use of the Company's land and buildings in New Brunswick. This amount is recorded in other income in the statement of loss and comprehensive loss. During the period ended April 30, 2021, the Company had a total of $2,932,211 (October 30, 2020 - $2,763,931) in receivables from Solargram relating to the Company funding Solargram operations until the acquisition closes see (Note 5).

## 11 Commitments

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments.

On November 13, 2019, the Company executed an exclusive and formal acquisition agreement with the Miss Envy Design Group. Terms of the deal are the issuance of 8,000,000 common shares paid on the following performance milestones:

i. 2 million shares on the commencement of legal sales anywhere in the world
ii. 2 million shares on first $5 Million in sales
iii. 2 million shares on every $5 Million increase thereafter for a total of eight million shares
iv. A lifetime royalty of 20% of the product sales net profit cash flow
v. The agreement is subject to Canadian Securities Exchange Approval

## 12 Segment disclosures

The Company operates in three geographical and three operating segments. The operating segments are managed separately based on the nature of operations.

(amounts expressed in Canadian dollars, except where indicated)

The Company operates in four operating segments in three countries, with corporate and Solargram Farm in Canada, Sage Ranch in the United States of America and Mexico Operations in Mexico. The Company's capital assets by country are:

| | **As at April 30, 2021** | | | | **As at October 31, 2020** | | | |
|---|---|---|---|---|---|---|---|---|
| | **Canada** | **USA** | **Mexico** | **Total** | **Canada** | **USA** | **Mexico** | **Total** |
| **Assets** | | | | | | | | |
| Sage ranch project | - | 5,451,380 | - | **5,451,380** | - | 5,026,598 | - | **5,026,598** |
| Solargram farms | 4,121,506 | - | - | **4,121,507** | 4,110,599 | - | - | **4,110,599** |
| Mexico operations | - | - | 989,622 | **989,622** | - | - | 741,590 | **741,590** |
| Right of use assets | 84,273 | - | - | **84,273** | 102,353 | - | - | - |

## 13 Subsequent event

On June 14, 2021, the Company announced that it proposes to purchase all of the issued and outstanding shares of Crypto One Corp ("C1") through a Plan of Arrangement as discussed below. In summary, existing shareholders of Captiva Verde, at no cost, will receive 1 new share of C1 for each block of 10 shares they hold in Captiva Verde. For greater clarity, a shareholder who owns 100,000 shares of Captiva Verde will own 10,000 shares of C1. The conversion will have an escalation bonus where every 10 cent increase in the price of Captiva Verde above $0.40 will amount to a conversion increase of 10% so that at $1.40 per share for Captiva Verde, the conversion will be 1 new share of C1 for each 5 shares held of Captiva at the soon to be determined conversion record date.

At the completion of the Plan of arrangement C1 will issue 150 Million shares to the shareholders of record of C1. At the current share price the capital stack on the proposed listing of C1 will look like this:

- 14,349,107 Existing shareholders of Captiva Verde
- 150,000,000 Shareholders of Crypto One Corp
- 164,349,107 Total pre-IPO financing

C1 plans to IPO approximately 10,000,000 shares subject to CSE approval at the date of the IPO.

<u>About Crypto One</u>

Crypto One Corp will introduce crypto-mining operations with fully optimized renewable energy performance through "never off-line" monitoring – called Advantage Performance Monitoring". This allows cost optimization during higher traffic mining events and the natural seasonal changes that impact the green power output. Every hour and minute matters when mining while the sun is shining and the unique de-regulated energy market in Alberta enables Crypto One to negotiate grid tied supply contracts to best rates. State of the art HVAC with 24/7 monitoring allows optimized hardware performance and the lowest operational costs in the industry together with available power capacity to scale up mining hash power and leverage fixed-costs to maximize the green energy mining window. Dependable and high performance mining hardware operates non-stop to capitalize on time before the next halving scheduled for 2024. Crypto One will produce the highly rewarded and very coveted "certified green energy cryptocurrency" that the environmentally conscious market is demanding.

Crypto One Corp is a private company in the cryptocurrency space dedicated to bringing digital assets onto the clean energy grid. Its Bitcoin mining sites have a zero-carbon footprint and the company's long-term strategy is to be the largest vertically integrated crypto miner with a wholly owned, 100 percent renewable energy supply.

Plan of Arrangement Proposal

Captiva Verde is a public company listed on the Canadian Securities Exchange. It wholly owns processing facilities and organic farmland in New Brunswick and owns a brand new pharmaceutical laboratory in Mexico. Captiva Verde also has interest in large-scale sustainable housing in California and owns other consumer assets. Captiva Verde owns all these assets debt-free and was listed on the CSE on October of 2018.

The purpose of the Arrangement is to restructure the Company by creating one new company, Spinco, (Crypto One Corp) which will become a reporting issuer in the Provinces of British Columbia, Alberta and Ontario upon completion of the Arrangement. The Company believes this will be beneficial to the shareholders of the Company, as it is intended that Spinco will enter into a definitive agreement to acquire the Crypto One Assets upon completion of the Arrangement. Management also believes that by creating this new company and providing Captiva Shareholders with interests in this company, shareholder value will be significantly enhanced.

In this regard, Captiva Verde entered into an LOI whereby, subject to completion of the Arrangement, Spinco will acquire the Assets of Crypto One. The Proposed Acquisition is subject to completion of the Arrangement. Should the Arrangement be completed, the Proposed Acquisition would be subject to the execution by Spinco of a definitive agreement. It is anticipated that the Proposed Acquisition will be subject to standard closing conditions, including requisite corporate, judicial and regulatory approvals, financing and due diligence.

By creating a subsidiary, Spinco, which will acquire Captiva's LOI and become a separate reporting entity, Spinco (Crypto One) will be better able to pursue different specific operating strategies directly on its own without being subject to the financial and different interests of Captiva Verde. Some of the attributes are:

- Spinco provides the Company's shareholders with the opportunity to participate in a new corporate vehicle.
- After the separation, Spinco will also have the flexibility to implement its own unique growth strategies, allowing Spinco to refine and refocus its business strategy and plans.
- Additionally, because the resulting business will be focused in its respective industry, being renewable energy driven crypto-mining, Spinco will be more readily understood by public investors, allowing Spinco to be in a better position to raise capital and align management and employee incentives with the interests of shareholders.

Pursuant to the Arrangement, Captiva will transfer to Spinco all of Captiva's interest in and to the Crypto One LOI in exchange for 14,349,107 Spinco Shares, which shares will be distributed to the Captiva Shareholders who hold Captiva Shares on the Share Distribution Record Date. Each Captiva Shareholder as of the Share Distribution Record Date, other than a Dissenting Shareholder, will immediately after the Arrangement, hold the proposed pro-rata number of New Shares in the capital of Spinco (Crypto One) plus the exact number of shares of Captiva Verde that it currently owns to be distributed under the Arrangement for each currently held Captiva Share.