

**RE: INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE THREE  
MONTHS ENDED JANUARY 31, 2022 AND 2021**

The first quarter financial statements for the three months ended January 31, 2022 and 2021 have not been reviewed by the auditors of Captiva Verde Wellness Corp.

**CAPTIVA VERDE WELLNESS CORP.**

“Anthony Balic”

**Anthony Balic**

Chief Financial Officer

# **Captiva Verde Wellness Corp.**

Condensed Interim Financial Statements  
For the three months ended January 31, 2022 and 2021  
(Unaudited)  
(amounts expressed in Canadian dollars, except where indicated)

# Captiva Verde Wellness Corp.

## Statement of Financial Position

(amounts expressed in Canadian dollars, except where indicated)

	Note	January 31, 2022	October 31, 2021
<b>Assets</b>			
<b>Current Assets</b>			
Cash		\$ 14,226	\$ 87,217
Other receivables		28,547	5,068
Prepays and advances		45,455	70,455
		88,228	162,740
Solargram receivables	5	2,884,511	-
Mexico loan receivable	6	400,131	366,631
Sage ranch project	4	5,591,588	5,583,788
Solargram farms	5	4,130,403	4,130,403
Mexico operations	6	1,095,510	1,057,206
Total assets		\$ 14,190,371	\$ 11,300,768
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		\$ 728,856	\$ 600,042
Loans payable	10	1,864,219	1,869,696
Lease liability	7	34,318	34,318
		2,627,393	2,504,056
Lease liability	7	35,195	36,286
Total liabilities		2,662,588	2,540,342
<b>Shareholders' equity</b>			
Share capital	8	11,728,528	11,309,726
Share based compensation reserves	8	1,128,188	1,128,188
Warrants reserves	8	3,868,810	3,579,990
Subscription proceeds received in advance, net		-	339,000
Deficit		(5,197,743)	(7,596,478)
Total shareholders' equity		11,527,783	8,760,426
Total liabilities and shareholders' equity		\$ 14,190,371	\$ 11,300,768

Nature of operations and going concern (note 1)

Commitments (note 11)

Subsequent events (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.

## Statement of Loss and Comprehensive Income (Loss)

For the period ended January 31, 2022 and 2021

(amounts expressed in Canadian dollars, except where indicated)

	Note	Three months ended January 31,	
		2022	2021
<b>Expenses</b>			
Administrative fees	10	\$ (29,664)	\$ (65,286)
Consulting fees	10	(281,153)	(121,364)
Filing fees		(4,933)	(14,690)
Legal and professional fees		(166,617)	(4,319)
Foreign exchange loss		(993)	(1,145)
		(483,360)	(206,804)
<b>Other (expenses) income, net</b>			
Lease amortization	7	-	(9,040)
Reversal of Solargram receivable provision	5	2,884,511	-
Interest expense		(2,416)	-
Gain on shares for debt transaction	8	-	89,273
Other income	5	-	30,000
		2,882,095	110,233
<b>Income (loss)</b>		2,398,735	(96,571)
<b>Income (loss) per share</b>			
Basic and diluted		\$ 0.02	\$ (0.00)
<b>Weighted average shares outstanding</b>			
Basic and diluted*		155,491,067	139,950,327

\*All options and warrants are out of the money and considered anti-dilutive

The accompanying notes are an integral part of these financial statements

# Captiva Verde Wellness Corp.

## Statement of Changes in Shareholders' Equity

For the period ended January 31, 2022 and 2021

(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
<b>Balance at October 31, 2021</b>		143,491,067	\$ 11,309,726	\$ 1,128,188	\$ 3,579,990	\$ 339,000	\$ (7,596,478)	\$ 8,760,426
Private placement	8	12,000,000	431,180	-	288,820	(339,000)	-	381,000
Private placement transaction cost	8	-	(12,378)	-	-	-	-	(12,378)
Income for the period		-	-	-	-	-	2,398,735	2,398,735
<b>Balance at January 31, 2022</b>		155,491,067	\$ 11,728,528	\$ 1,128,188	\$ 3,868,810	\$ -	\$ (5,197,743)	\$ 11,527,783
<b>Balance at October 31, 2020</b>		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
Warrants exercised	8	50,000	6,791	-	(1,791)	-	-	5,000
Loss for the period		-	-	-	-	-	(96,571)	(96,571)
<b>Balance at January 31, 2021</b>		139,950,327	\$ 10,658,918	\$ 1,128,188	\$ 3,307,672	\$ -	\$ (3,924,202)	\$ 11,170,576

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

# Captiva Verde Wellness Corp.

## Statement of Cash Flows

For the period ended January 31, 2022 and 2021

(amounts expressed in Canadian dollars, except where indicated)

	Note	Three months ended January 31,	
		2022	2021
<b>Cash used from operating activities</b>			
Income (loss) for the period		\$ 2,398,735	\$ (96,571)
Change in non-cash operating working capital			
Accretion expense	7	2,416	3,538
Gain on shares for debt transaction	8	-	(89,273)
Reversal of Solargram receivable provision	5	(2,884,511)	-
Amortization of right of use asset	7	-	9,040
Decrease (increase) in prepaid expenses and other receivables		1,520	88,174
Increase (decrease) in accounts payable and accrued liabilities		128,815	14,774
		(353,025)	(70,318)
<b>Cash flows from investing activities</b>			
Sage Ranch	4	(7,800)	(279,320)
Mexico operations	6	(38,304)	(159,822)
Mexico loan receivables		(33,500)	-
Lease payments	7	(3,507)	(14,059)
Solargram receivable		-	(108,818)
Solargram farms	5	-	(10,908)
		(83,111)	(572,927)
<b>Cash flows from financing activities</b>			
Proceeds from private placement, net of transaction costs	8	381,000	-
Share issuance costs	8	(12,378)	-
Proceeds received from warrant exercises	8	-	5,000
Proceeds from loans payable	10	(5,477)	664,192
		363,145	669,192
<b>Increase in cash</b>		(72,991)	25,947
<b>Cash – beginning of period</b>		87,217	19,439
<b>Cash – end of period</b>		\$ 14,226	\$ 45,386

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

# Captiva Verde Wellness Corp.

## Notes to the Financial Statements

For the period ended January 31, 2022 and 2021

(amounts expressed in Canadian dollars, except where indicated)

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### 1 Nature of operations and continuing operations

Captiva Verde Wellness 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 pharmaceutical products.

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 pharmaceutical products. The Company had income of \$2,398,735 for the period ended January 31, 2022 and as at January 31, 2022 has an accumulated deficit of \$5,197,743. As at January 31, 2022, the Company has working capital deficit of \$2,539,165. 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, 2021.

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, 2021.

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 11, 2022.

### 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

# Captiva Verde Wellness Corp.

## Notes to the Financial Statements

For the period ended January 31, 2022 and 2021

(amounts expressed in Canadian dollars, except where indicated)

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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.

### *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:



# Captiva Verde Wellness Corp.

## Notes to the Financial Statements

For the period ended January 31, 2022 and 2021

(amounts expressed in Canadian dollars, except where indicated)

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 behind on such funding obligations and no determination has been made as to the affects to the JV at this point in time. Risk factors are market conditions and the Company’s ability to finance).

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:

	January 31, 2022	October 31, 2021
Opening	\$ 5,583,788	\$ 5,026,598
Additions – permitting and development costs	7,800	557,190
	<b>\$ 5,591,588</b>	<b>\$ 5,583,788</b>

## 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 and meeting other certain financial and legal conditions that are not yet met. On June 29, 2020, Solargram received their Cannabis Grow License from Health Canada. As at October 31, 2021, the transaction has not closed.

On January 26, 2021, Solargram has now additionally been approved of a Canadian Federal Health Canada processing license.

Property, plant and equipment (construction in progress):

	January 31, 2022	October 31, 2021
Opening	\$ 4,130,403	\$ 4,110,599
Additions	-	19,804
	<b>\$ 4,130,403</b>	<b>\$ 4,130,403</b>

On September 30, 2021, the Company announced it was made aware of a lawsuit filed against the Company by Solargram. On November 5, 2021, the Company terminated the acquisition agreement with Solargram and filed a Statement of Defence and Counterclaim in response to the claim filed by Solargram Farms in New Brunswick, Canada.

# Captiva Verde Wellness Corp.

## Notes to the Financial Statements

For the period ended January 31, 2022 and 2021

(amounts expressed in Canadian dollars, except where indicated)

During the period ended January 31, 2022, the Company charged Solargram \$nil (2021 - \$30,000) 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 January 31, 2022, the Company reversed the provision of \$2,884,511 relating to the funding the Company provided Solargram operations based on on-going discussions and management's assessment of the collectability of the receivable. The Company continues to work towards a resolution of the ongoing legal issues and recovery of this amount. 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. As at January 31, 2022, this transaction has not yet closed. 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 \$400,131 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 \$1,095,510 related to project construction costs in connection with the Company's building in Ensenada Mexico.

Property, plant and equipment (construction in progress):

	January 31, 2022	October 31, 2021
Opening	\$ 1,057,206	\$ 741,590
Additions	38,304	315,616
	<b>\$ 1,095,510</b>	<b>\$ 1,057,206</b>

### 7 Right of use asset and lease liability

Right of use asset	January 31, 2022	October 31, 2021
Opening balance	\$ -	\$ 102,353
Less: depreciation	-	(36,160)
Write-off of right to use asset	-	(66,193)
	<b>\$ -</b>	<b>\$ -</b>

Lease liability	January 31, 2022	October 31, 2021
Opening balance	70,604	96,660
Establishment of lease liabilities	-	-
Lease payments	(3,507)	(38,577)
Accretion	2,416	12,521
	<b>\$ 69,513</b>	<b>\$ 70,604</b>
Less: current portion	(34,318)	(34,318)
Classified as long-term liability	<b>\$ 35,195</b>	<b>\$ 36,286</b>

# Captiva Verde Wellness Corp.

## Notes to the Financial Statements

For the period ended January 31, 2022 and 2021

(amounts expressed in Canadian dollars, except where indicated)

Undiscounted lease payments	January 31, 2022	October 31, 2020
Not later than a year	\$ 42,084	\$ 42,084
Later than a year	31,567	35,074
	\$ 73,651	\$ 77,158

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. The Company's lease related to an equipment lease.

## 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 January 31, 2022 the issued and outstanding share capital consists of 155,491,067 common shares.

### Fiscal 2022

On November 10, 2021, the Company closed a non-brokered private placement consisting of 12,000,000 units at a price of \$0.06 for total gross proceeds of \$720,000. 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 \$0.10 for a period of two years.

The total warrants issued were 12,000,000. The fair value of warrant was calculated at \$288,820 and was determined on the date of the issuance using the Black-Scholes option pricing model with the following weighted average assumptions: 1.00% risk free interest rate, expected life of 2 years, 97% annualized volatility and 0% dividend rate.

### Fiscal 2021

On November 25, 2020, the Company issued 2,975,766 common shares to settle \$743,942 in debt owed to creditors. The fair value of the shares issued was \$654,669 and therefore 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 \$15,874 in transaction costs.

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 year ended October 31, 2021, the Company issued 150,000 common shares related to warrants exercises for gross proceeds of \$15,000.

### 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

# Captiva Verde Wellness Corp.

## Notes to the Financial Statements

For the period ended January 31, 2022 and 2021

(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 January 31, 2022 and October 31, 2021 is as follows:

	January 31, 2022		October 31, 2021	
	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
Outstanding – beginning of year	6,100,000	\$ 0.21	6,100,000	\$ 0.21
Granted	-	-	-	-
Exercised	-	-	-	-
Outstanding – end of year	6,100,000	\$ 0.21	6,100,000	\$ 0.21

The following table discloses the number of options and vested options outstanding as at January 31, 2022:

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	1.83	3,000,000	\$0.11	1.83
3,100,000	\$0.30	2.61	3,100,000	\$0.30	2.61
<b>6,100,000</b>	<b>\$0.21</b>	<b>2.23</b>	<b>6,100,000</b>	<b>\$0.21</b>	<b>2.23</b>

c) Share purchase warrants as at January 31, 2022 and October 31, 2021:

	January 31, 2022		October 31, 2021	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Outstanding - beginning of year	35,154,740	\$ 0.70	31,952,579	\$ 0.70
Issued	12,000,000	0.10	3,440,740	0.75
Expired	(14,434,000)	0.75	(88,579)	0.10
Exercised	-	-	(150,000)	0.10
Outstanding – as at year end	32,720,740	\$ 0.47	35,154,740	\$ 0.71

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
15,200,000	\$0.75	June 11, 2022
2,700,000	\$0.75	March 12, 2023
740,740	\$0.75	March 22, 2023
12,000,000	\$0.10	November 10, 2023
<b>Total:</b>	<b>32,720,740</b>	

# Captiva Verde Wellness Corp.

## Notes to the Financial Statements

For the period ended January 31, 2022 and 2021

(amounts expressed in Canadian dollars, except where indicated)

As at January 31, 2022, the weighted average exercise price of the warrants outstanding was \$0.47 (October 31, 2021 - \$0.71) with a weighted average remaining contractual life of 0.96 years (October 31, 2021 – 0.50 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.

### Categories of financial instrument

	January 31, 2022		October 31, 2021	
	Carrying value \$	Fair value \$	Carrying value \$	Fair value \$
<b>Financial assets</b>				
<i>Fair value through profit and loss ("FVTPL")</i>				
Cash	14,226	14,226	87,217	87,217
<i>Amortized cost</i>				
Other receivables and advances	28,547	28,547	5,068	5,068
Solargram receivables	2,884,511	2,884,511	-	-
Mexico loan receivable	400,131	400,131	366,631	366,631
<b>Financial liabilities</b>				
<i>Other financial liabilities</i>				
Accounts payable and accrued liabilities	728,856	728,856	600,042	600,042
Loans payable	1,864,219	1,864,219	1,869,696	1,869,696

### 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 January 31, 2022.

### 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.

# Captiva Verde Wellness Corp.

## Notes to the Financial Statements

For the period ended January 31, 2022 and 2021

(amounts expressed in Canadian dollars, except where indicated)

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### 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 January 31, 2022 the Company had amounts payable of \$260,522 (October 31, 2021 - \$292,399) to related parties. These amounts are unsecured and non-interest bearing.

During the period ended January 31, 2022 the Company incurred an expense of \$24,000 to a Company controlled by an executive related to consulting expenses (January 31, 2021 - \$15,000).

During the period ended January 31, 2022 the Company incurred an expense of \$27,000 to an executive of the Company related to office space and administrative expenses (January 31, 2021 - \$27,000) and incurred expenses of \$209,175 (January 31, 2021 - \$nil) related to consulting fees.

During the period ended January 31, 2022 the Company incurred an expense of \$5,977 to a Company controlled by a director related to consulting expenses (January 31, 2021 - \$nil).

The Company entered into an agreement to earn a 50% interest in the development land from Greenbriar (see Note 4 for further information). As at January 31, 2022 the Company had a loan payable of \$1,864,219 (October 31, 2021 - \$1,869,696) to Greenbriar. The loan payable is unsecured, non-interest bearing and due on demand. Subsequent to period end, the Company issued 25,800,000 common shares to settle \$1,290,000 of the loan.

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 expected to become a shareholder of Esmeralda. As at the period ended January 31, 2022 this transaction has not yet closed. As at January 31, 2022, the Company had \$400,131 (October 31, 2021 - \$366,631) 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 January 31, 2022, the Company charged Solargram \$nil (2021 - \$30,000) 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 January 31, 2022, the Company reversed the provision of \$2,884,511 relating to the funding the Company provided Solargram operations based on on-going discussions and management's assessment of the collectability of the receivable. The Company continues to work towards a resolution of the ongoing legal issues and recovery of this amount. The receivable has no repayment terms, is non-secured and non-interest bearing.

## 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

# Captiva Verde Wellness Corp.

## Notes to the Financial Statements

For the period ended January 31, 2022 and 2021

(amounts expressed in Canadian dollars, except where indicated)

### 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.

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 January 31, 2022				As at October 31, 2021			
	Canada	USA	Mexico	Total	Canada	USA	Mexico	Total
<b>Assets</b>								
Sage ranch project	-	5,591,588	-	<b>5,591,588</b>	-	5,583,788	-	<b>5,583,788</b>
Solargram farms	4,130,403	-	-	<b>4,130,403</b>	4,130,403	-	-	<b>4,130,403</b>
Mexico operations	-	-	1,095,510	<b>1,095,510</b>	-	-	1,057,206	<b>1,057,206</b>

	For the three months January 31, 2022				For the three months January 31, 2021			
	Canada	USA	Mexico	Total	Canada	USA	Mexico	Total
<b>Income</b>								
Revenue	-	-	-	-	-	-	-	-
Interest expense	(2,416)	-	-	<b>(2,416)</b>	-	-	-	-
Lease amortization	-	-	-	-	(9,040)	-	-	<b>(9,040)</b>
Income (loss)	2,446,735	-	(48,000)	<b>2,398,735</b>	24,480	(73,051)	(48,000)	<b>(96,571)</b>

### 13 Subsequent events

- 1) Subsequent to year end, on February 17, 2022, the Company issued an aggregate 27,000,000 common shares to settle \$1,350,000 in debt owed to certain creditors.
- 2) Subsequent to year end the Company has received a total of \$295,000 in loans from Greenbriar and a Company controlled by an executive.