CAPTIVA VERDE WELLNESS CORP.
Management's Discussion and Analysis
For the year ended October 31, 2022

(Expressed in Canadian dollars, unless otherwise noted)

Feb 28, 2023

For further information on the Company, reference should be made to its public filings on SEDAR at www.sedar.com. This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the audited financial statements for the year ended October 31, 2022, and related notes thereto which have been prepared in accordance with International Financial Reporting Standards. The MD&A contains certain Forward Looking Statements which are provided at the end of this document.

CORPORATE OVERVIEW

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 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. The Company is listed on the Canadian Securities Exchange under the symbol "PWR".

Going concern

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 $3,625,233 for the year ended October 31, 2022 and as at October 31, 2022 has an accumulated deficit of $11,221,711. As at October 31, 2022, the Company has working capital deficit of $1,812,084. 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 these material uncertainties may cast 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.

Recent global issues, including the ongoing COVID-19 pandemic and the 2022 Russian invasion of Ukraine have adversely affected workplaces, economies, supply chains, and financial markets globally. It is not possible for the Company to predict the duration or magnitude of the adverse results of these issues and their effects on the Company's business or results of operations this time.

HIGHLIGHTS – YEAR ENDED OCTOBER 31, 2022

- 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.
- 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

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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.

- 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.
- Subsequent to year end, on December 23, 2022, the Company closed a non-brokered private placement consisting of 20,000,000 units at a price of $0.02 for total gross proceeds of $400,000. 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 $0.05 for a period of five years.

SAGE RANCH PROJECT

The Sage Ranch Project is a property situated close to the central business district and adjacent to the Tehachapi High School and is comprised of five parcels of real property located within the City of Tehachapi. Tehachapi is located in Kern County on the edge of the Mojave Desert, approximately 35 miles east-southeast of Bakersfield, California.

The legal description of each parcel is as follows:

- Parcel 1 – APN 417-012-01 (approx. 32.97 acres)
- Parcel 2 – APN 417-012-28 (approx. 60 acres)
- Parcel 3 – APN 417-012-27 (approx. 20 acres)
- Parcel 4 – APN 417-012-25 (approx. 19.16 acres)
- Parcel 5 – APN 415-012-14 (approx. 28.75 acres)

Parcels 1 through 4 (“Site 2”) are contiguous and aggregate approximately 132 acres of land on the south side of Cummings Valley Boulevard (State Highway 202), a major east – west thoroughfare through Tehachapi. The parcels lie immediately east of Clearview Street and immediately north of Pinon Street. The new Tehachapi High School, which opened its doors in 2003, is located immediately to the east of the parcels. A previous owner of these parcels had received Tentative Tract Map (“TTM”) approvals under TTM 6218 and TTM 6723. Parcel 5 (“Site 1”) comprises approximately 28 acres and lies north of parcels 1 through 4, on the north side of Cummings Valley Boulevard.

On August 17, 2021, the Sage Ranch project received full and final approval by the Mayor and City Council with a unanimous 4 to 0 vote in favor to approve Sage Ranch. The Mayor and City Council approved all three items on the agenda, namely: 1) the approval of the Sage Ranch Master Development Plan; 2) The approval of the 995 home Tract Map and; 3) The approval and acceptance of the exhaustive Final Environmental Impact Report. (“FEIR”).

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.

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 $2,137,500 worth of 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 in default 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).

MD&A (expressed in CAD Dollars) – year ended October 31, 2022

The Company has until the earlier of: (i) August 20, 2025 and (ii) the date Greenbriar USA receives final approval from the City of Tehachapi (and other required regulatory approval) to build house on the Tehachapi Property, to exercise the Option, provided all three conditions are met above.

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 USA 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 USA and the Company are required to evenly split all net profits derived from the Sage Ranch Project

Total payments, pursuant to the Option:

	October 31, 2022	October 31, 2021
Opening	$ 5,583,788	$ 5,026,598
Additions – permitting and development costs	7,800	557,190
	$ 5,591,588	**$ 5,583,788**

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. The acquisition will give the Company access to a world class team of experienced operators and growers, dedicated to full spectrum, hand crafted, outdoor organic cannabis and oil extracts, providing high valued finished health and wellness products using natural farm inputs. The Solargram team has over 40 years of combined industry specific, non-stop operating, growing and processing experience in a specific regional market that, taken together, has over 125 years of collective experience. As consideration the Company will issue 30,000,000 shares upon acquisition which has 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. As at the date of this report this transaction has not yet 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.

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):

	October 31, 2022	October 31, 2021
Opening	$ 4,130,403	$ 4,110,599
Additions	18,373	19,804
	$ 4,148,776	**$ 4,130,403**

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.

During the year ended October 31, 2022, the Company charged Solargram $nil (2021: $120,000) 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. As at October 31, 2021, the Company provided for $2,884,511 of a loan to Solargram as the Company has no access to the financial records of Solargram, although the Company continues to work towards a resolution of the ongoing legal issues and recovery of this amount. The receivable had no repayment terms, is non-secured and non-interest bearing.

MD&A (expressed in CAD Dollars) – year ended October 31, 2022

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 October 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. As at October 31, 2022, the Company determined that they would no longer pursue the Esmeralda transaction and has written off the receivable and property, plant and equipment. The receivable had no repayment terms, was non-secured and non-interest bearing. The total impairment of $1,417,807 also included a recovery of accounts payable of $23,834.

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 $nil (2021 - $1,057,206) related to project construction costs in connection with the Company’s building in Ensenada Mexico.

Property, plant and equipment (construction in progress):

	October 31, 2022	October 31, 2021
Opening	$ 1,057,206	$ 741,590
Additions	38,304	315,616
Impairment	(1,095,510)	-
	$ -	**$ 1,057,206**

MD&A (expressed in CAD Dollars) – year ended October 31, 2022

DISCUSSION OF OPERATIONS

		Year Ended October 31,		
		2021	2020	2019
Expenses				
Administrative fees		$ (23,106)	$ (232,319)	$ (365,820)
Consulting fees		(703,997)	(445,231)	(380,294)
Filing fees		(56,723)	(57,564)	(65,076)
Legal and professional fee		(362,521)	(206,584)	(535,641)
Foreign exchange loss		(39,493)	3,045	(13,912)
Pre-acquisition project costs		-	(37,638)	-
Travel		-	(2,444)	(25,575)
Stock-based compensation		(184,465)	-	(546,072)
		(1,370,305)	(978,735)	(1,932,390)
Loss per share				
Other (expenses) income, net				
Lease amortization		-	(36,160)	(6,027)
Write-off of right of use asset		-	(66,193)	-
Provision for Solargram receivable		-	(2,884,511)	-
Interest expense		(33,907)	(12,521)	(3,199)
Lease reversal		71,620	-	-
Lease accretion		(4,523)	-	-
Impairment of Mexico assets		(1,471,807)	-	-
Gain on shares for debt transaction		(811,651)	89,273	-
Other income		(4,660)	120,000	50,531
		(2,254,928)	(2,790,112)	41,305
Net loss		(3,625,233)	(3,768,847)	(1,891,085)
Basic and diluted		$ (0.02)	$ (0.03)	$ (0.02)
Weighted average shares outstanding				
Basic and diluted		174,384,218	141,977,425	122,400,530

Year ended October 31, 2022 compared to year ended October 31, 2021 and 2020

Revenue is $nil for the year ended October 31, 2022, 2021, and 2020 as the Company has not developed any projects to the revenue generation stage. The Company had expenses of $1,370,305 for the year ended October 31, 2022 compared to expenses of $978,735 in the year ended October 31, 2021 and $1,932,390 in the year ended October 31, 2020. The increase over 2021 was due to an increase in consulting fees and legal and professional fees due to the on-going legal dispute with Solargram. Expenses for the year ended 2022 were lower than 2020 due to a larger non-cash share-based payment expenses recorded in 2020 compared to 2022. The Company had other expenses of $2,254,928 compared to other expenses of $2,790,112 in 2021 and other income of $41,305 in 2020. The decrease in other expenses from 2021 related to a $1,471,807 impairment of Mexico assets and $811,651 loss on shares for debt transaction recorded in the current period which was lower than the $2,884,511 provision for Solargram receivable which was recorded in 2021. There were no such impairments or provisions recorded in 2020 which is why the Company recorded other income in 2020 as opposed to the expenses in 2022 and 2021. The basic and diluted loss per share of $(0.02) as a result of the decreased loss.

	October 31, 2022	October 31, 2021	October 31, 2020
Cash and cash equivalents	$ 15,586	$ 87,217	$ 19,439
Total assets	9,756,784	11,300,768	13,407,043
Non-current financial liabilities	-	34,318	67,095
Cash dividends declared	$ 0.00	$ 0.00	$ 0.00

Cash and cash equivalents were $15,586 as at October 31, 2022 which is lower than 2021 and 2012 and is the result of increased corporate activity and continued development of the Company's projects. Total assets are $9,756,784 as at October 31, 2022 compared to $11,300,768 as at October 31, 2021 and $13,407,043 as at October 31, 2020. The decrease from 2020 is the result of the Company providing for $2,884,511 for the Solargram receivable in 2021 and then impairing the Company's Mexico assets in 2022. Non-current financial liabilities are $nil as at October 31, 2022 compared to $34,318 as at October 31, 2021, and $67,095 in the comparative period of October 31, 2020 as the Company capitalized a lease in 2020 and has been paying off the liability until 2022 where the lease was assumed by Solargram and therefore reversed from the Company's books. There were no cash dividends declared as at October 31, 2022 and October 31, 2021 or October 31, 2020.

Summary of Quarterly Results

(tabled amounts are expressed in thousands of CAD dollars)	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Expenses	$ (327,395)	$ (303,787)	$ (255,763)	$ (483,360)	$ (449,485)	$ (171,747)	$ (150,699)	$ (206,804)
Other income	(2,122,048)	(17,909)	(742,138)	2,882,095	(48,005)	17,962	14,149	110,233
Net loss	(4,704,371)	(321,696)	(997,901)	2,398,735	(3,381,941)	(153,785)	(136,550)	(96,571)
Total comprehensive gain (loss)	(4,704,371)	(321,696)	(997,901)	2,398,735	(3,381,941)	(153,785)	(136,550)	(96,571)
Basic/Diluted loss per share	(0.03)	(0.01)	(0.01)	0.02	(0.03)	(0.00)	(0.00)	(0.00)
Total assets	$ 9,756,784	$ 14,170,599	$ 14,195,666	$ 14,190,371	$ 11,300,768	$ 14,679,879	$ 14,450,660	$ 13,894,644

Three months ended October 31, 2022 compared to all historic quarters

The Company incurred a net loss and total comprehensive loss of $4,704,371 in the current quarter which is higher than all comparative quarters. The increase in net loss is the result of legal fees related to the Solargram legal issue, an increase in consulting fees in the quarter and the impairment of Mexico assets in the current quarter which did not occur in the comparative quarters.

Change in total assets

Total assets were $9,756,784 in the current period which is lower than all comparative quarters as the Company has provided for the Solargram receivable in 2021 and then further impaired the Company's Mexico assets in the current period.

LIQUIDITY AND CAPITAL RESOURCES

(tabled amounts are expressed in CAD dollars)	Year ended October 31, 2022	Year ended October 31, 2021	Year ended October 31, 2020
Cash inflow (outflows) from operating activities	$ (468,849)	$ (305,002)	$ (105,554)
Cash inflow (outflows) from financing activities	577,695	1,739,114	6,911,775
Cash inflow (outflows) from investing activities	(180,477)	(1,366,334)	(7,522,153)
Net cash flows	(71,631)	67,778	(715,932)
Cash balance	$ 15,586	$ 87,217	$ 19,439

As at October 31, 2022, the Company's net working capital deficit was $1,812,084 (October 31, 2021 – working capital of $2,341,316).

Cash outflows from operating activities of $468,849 were higher than the outflows in the comparative period in 2021 and 2020 due to change in working capital items net of corporate expenses.

Cash inflows from financing activities of $577,695 were lower than the inflows in the comparative period in 2021 and 2020 due to the Company completing less private placements and warrant exercises in the current period.

Cash outflows from investing activities of $180,477 were lower than the comparative period in 2021 and 2020 and a result of the Company capitalizing less expenditures on all three of the current projects.

The Company's ability to continue as a going concern is dependent on the Company's ability to raise funds.

Commitments

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

On May 8, 2019, the Company entered into an agreement to acquire Solargram, a Canadian controlled private corporation, having corporate offices in Moncton, NB. As consideration the Company will issue 30,000,000 common shares upon acquisition which has a prerequisite of Solargram obtaining their Cannabis Grow License by Health Canada. As at the date of this report this transaction has not yet closed.

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

During the year ended October 31, 2022, the Company concluded not to pursue the Miss Envy transaction and has cancelled the agreement.

Capital management

The capital of the Company consists of items included in shareholder's equity. The Company's objectives for capital management are to safeguard its ability to support the Company's normal operating requirement on an ongoing basis, continue to evaluate and plan to enter into the business of developing sustainable real estate projects.

The Company manages its capital structure and makes adjustments in light of changes in its economic environment and the risk characteristics of the Company's assets. To effectively manage the entity's capital requirements, the Company has in place a planning, budgeting and forecasting process to help determine the funds required to ensure the

MD&A (expressed in CAD Dollars) – year ended October 31, 2022

Company has the appropriate liquidity to meet its operating and growth objectives. As at October 31, 2022 the Company expects its capital resources will require additional support for its normal operating requirements and to continue to evaluate and plan to enter into the business of developing sustainable real estate projects. for the next twelve months. There are no externally imposed capital requirements to which the Company has not complied.

SHAREHOLDERS' EQUITY

The Company's authorized share capital consists of an unlimited number of common shares without par value. As at October 31, 2022, the Company had 184,491,067 common shares, 15,440,740 share purchase warrants and 16,100,000 share purchase options outstanding. As at the date of this report, the Company had 205,116,067 common shares, 34,790,740 share purchase warrants and 16,100,000 share purchase options outstanding.

On November 10, 2021, the Company closed a non-brokered private placement consisting of 12,000,000 units at a price of $0.06 per unit for total gross proceeds of $720,000 of which $339,000 was received during the year ended October 31, 2021. 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.

On February 17, 2022, the Company issued an aggregate 27,000,000 common shares valued at $2,160,000 to settle $1,348,349 in debt owed to certain creditors.

On October 6, 2022, 2,000,000 options were exercised for a reduction of accounts payable of $80,000.

Subsequent to year end, on December 23, 2022, the Company closed a non-brokered private placement consisting of 20,000,000 units at a price of $0.02 for total gross proceeds of $400,000. 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 $0.05 for a period of five years.

Subsequent to year end, on February 23, 2023, 625,000 warrants were exercised for a reduction in accounts payable of $62,500.

Table below provides a summary of the share purchase warrants outstanding as at the date of this report.

Number of warrants	Exercise price per warrant	Expiry date
2,700,000	$0.75	March 12, 2023
740,740	$0.75	March 22, 2023
11,350,000	$0.10	November 10, 2023
20,000,000	$0.05	December 23, 2027
Total: 34,790,740		

Table below provides a summary of the share purchase options outstanding as at the date of this report:

Number of options	Exercise price per warrant	Expiry date
3,000,000	$0.11	November 29, 2023
1,100,000	$0.30	March 15, 2024
2,000,000	$0.30	December 18, 2024
10,000,000	$0.04	July 13, 2025
Total: 16,100,000		

REGULATORY DISCLOSURES

Off-Balance Sheet Arrangements

As at October 31, 2022, the Company did not have any off-balance sheet arrangements.

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.

As at October 31, 2022, the Company had amounts payable of $577,659 (October 31, 2021 - $292,399) to related parties. These amounts are unsecured and non-interest bearing.

During the year ended October 31, 2022, the Company incurred share-based payments expense of $122,977 to related parties (October 31, 2021 - $nil).

During the year ended October 31, 2022, the Company incurred an expense of $90,000 to a Company controlled by an executive related to consulting expenses (October 31, 2021 - $60,000). During the year ended October 31, 2022 the Company received a loan of $45,000 from this executive which was repaid during the year.

During the year ended October 31, 2022, the Company incurred an expense of $nil to a director and shareholder of the Company related to office space and administrative expenses (October 31, 2021 - $108,000). In addition, during the year ended October 31, 2022, the Company incurred an expense of $560,018 related to consulting expenses (October 31, 2021 - $113,320). As at October 31, 2022, the Company owed $483,714 (October 31, 2021 - $113,320) related to these expenses.

During the year ended October 31, 2022, the Company incurred an expense of $5,978 to a Company controlled by a director related to consulting expenses (October 31, 2021 - $5,978).

During the year ended October 31, 2022, the Company incurred an expense of $nil to a Company controlled by a director related to consulting expenses (October 31, 2021 - $91,000).

The Company entered into an agreement to earn a 50% interest in the development land from Greenbriar. As at October 31, 2022 the Company had a loan payable of $833,726 (October 31, 2021 - $1,869,696) to Greenbriar. On February 17, 2022, the Company issued 25,800,000 common shares valued at $2,064,000 to settle $1,290,000 of the loan and recorded a loss on settlement of $744,000. On April 20, 2022, the Company entered into a promissory note with Greenbrier where the remainder of the loan would bear interest at the rate of 8% per annum for a term of 24 months. During the year ended October 31, 2022 the Company recorded $33,907 (2021 - $nil) in interest expense related to the loan. During the year ended October 31, 2022 the Company received $362,600 in additional loans and repaid $160,000.

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, isa shareholder of Esmeralda. As at the year ended October 31, 2022 this transaction has not yet closed. As at October 31, 2022, to Company had $nil (2021: $366,631) in receivables from Esmeralda relating to the Company funding Esmeralda operations until the acquisition closes. The receivables were unsecured, non-interest bearing demand loans. As at October 31, 2022, the Company determined that they would no longer pursue the Esmeralda transaction and has written off the receivable and property, plant and equipment. The total impairment of $1,417,807 also included a recovery of accounts payable of $23,834.

During the year ended October 31, 2022, the Company charged Solargram $nil (2021: $120,000) 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. As at October 31, 2021, the Company provided for $2,884,511 of a loan to Solargram as the Company has no access to the financial records of Solargram, although the Company continues to work towards a resolution of the ongoing legal issues and recovery of this amount. The receivable had no repayment terms, is non-secured and non-interest bearing.

MD&A (expressed in CAD Dollars) – year ended October 31, 2022

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 loss and comprehensive loss.

The Company's financial instruments consist of cash, receivables, 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

	October 31, 2022		October 31, 2021	
	Carrying value $	**Fair value $**	**Carrying value $**	**Fair value $**
Financial assets				
Fair value through profit and loss ("FVTPL")				
Cash	15,586	15,586	87,217	87,217
Amortized cost				
Other receivables and advances	-	-	5,068	5,068
Mexico loan receivable	-	-	366,631	366,631
Financial liabilities				
Other financial liabilities				
Accounts payable and accrued liabilities	994,778	994,778	600,042	600,042
Loans payable	833,726	833,726	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 year ended October 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.

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.

Significant Accounting Policies

Please refer to the audited annual financial statements for the year ended October 31, 2022 which was filed on SEDAR.

Risk and uncertainties

For full details on the risks and uncertainties affecting the Company, please refer to the risk factors as described in the prospectus.

FORWARD LOOKING STATEMENTS

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Such forward-looking statements and information herein include, but are not limited to, statements regarding prospective development of its real estate projects. The Company does not intend to, and does not assume any obligation to update such forward-looking statements or information, other than as required by applicable law.

Forward-looking statements or information involve known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company and its operations to be materially different from those expressed or implied by such statements. Such factors include, among others: ability to finance various development, fluctuations in real estate prices, fluctuations in the currency markets (particularly in the Canadian dollar and U.S. dollar); changes in national and local governments, legislation, taxation, controls, regulations and political or economic developments in various countries; operating or technical difficulties in various Company developments; risks and hazards of real estate development and industrial accidents, unusual or unexpected geological conditions, pressures, inadequate insurance, or inability to obtain insurance; availability of and costs associated with inputs and labour; the speculative nature of real estate development, risks in obtaining necessary licenses and permits, and challenges to the Company's title to various projects.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or information, there may be other factors that cause results to be materially different from those anticipated, described, estimated, assessed or intended. There can be no assurance that any forward-looking statements or information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements or information. Accordingly, readers should not place undue reliance on forward-looking statements or information.