

**RE: INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE SIX MONTHS
ENDED APRIL 30, 2023 AND 2022**

The second quarter financial statements for the six months ended April 30, 2023 and 2022 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 six months ended April 30, 2023 and 2022

(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	April 30, 2023	October 31, 2022
Assets			
Current Assets			
Cash		\$ 14,554	\$ 15,586
Prepays and advances		9,510	834
		24,064	16,420
Sage ranch project	4	5,591,588	5,591,588
Solargram farms	5	4,148,776	4,148,776
Total assets		\$ 9,764,428	\$ 9,756,784
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		\$ 1,277,209	\$ 994,778
Loans payable	10	452,116	833,726
		1,729,325	1,828,504
Shareholders' equity			
Share capital	8	14,264,665	13,999,273
Share based compensation reserves	8	1,281,908	1,281,908
Warrants reserves	8	4,055,690	3,868,810
Subscription proceeds received in advance	8	222,901	-
Deficit		(11,790,061)	(11,221,711)
Total shareholders' equity		8,035,103	7,928,280
Total liabilities and shareholders' equity		\$ 9,764,428	\$ 9,756,784

Nature of operations and going concern (note 1)

Commitments (note 11)

The accompanying notes are an integral part of these financial statements

Approved by the Board of Directors

"Jeff Ciachurski"

Director

"Michael Boyd"

Director

Captiva Verde Wellness Corp.

Statement of Loss and Comprehensive Income (Loss)

For the period ended April 30, 2023 and 2022

(amounts expressed in Canadian dollars, except where indicated)

	Note	Three months ended April 30,		Six months ended April 30,	
		2023	2022	2023	2022
Expenses					
Administrative fees		\$ (14,589)	\$ (31,767)	\$ (29,404)	\$ (61,431)
Consulting fees		(256,880)	(138,086)	(452,408)	(419,239)
Filing fees		(8,481)	(12,810)	(15,755)	(17,743)
Legal and professional fee		(7,414)	(72,666)	(42,560)	(239,283)
Foreign exchange loss		(3,782)	(434)	(3,833)	(1,427)
		\$ (291,146)	\$ (255,763)	\$ (543,960)	\$ (739,123)
Other (expenses) income, net					
Interest expense	10	(9,975)	-	(24,390)	-
Reversal of Solargram receivable provision	5	-	-	-	2,884,511
Lease accretion	7	-	(2,107)	-	(4,523)
Lease reversal	7	-	71,620	-	71,620
Loss on shares for debt transaction	8	-	(811,651)	-	(811,651)
Income (loss)		(301,121)	(997,901)	(568,350)	1,400,834
Loss per share					
Basic and diluted		\$ (0.00)	\$ (0.01)	\$ (0.00)	\$ 0.01
Weighted average shares outstanding					
Basic and diluted		204,718,968	166,529,741	198,862,614	165,866,758

*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 April 30, 2023 and 2022

(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, 2022		184,491,067	\$ 13,999,273	\$ 1,281,908	\$ 3,868,810	\$ -	\$ (11,221,711)	\$ 7,928,280
Private placement	8	20,000,000	192,760	-	207,240	-	-	400,000
Private placement transaction cost	8	-	(10,228)	-	-	-	-	(10,228)
Subscription proceeds received in advance	8	-	-	-	-	222,901	-	222,901
Warrants exercised	8	625,000	82,860	-	(20,360)	-	-	62,500
Income for the period		-	-	-	-	-	(568,350)	(568,350)
Balance at April 30, 2023		205,116,067	\$ 14,264,665	\$ 1,281,908	\$ 4,055,690	\$ 222,901	\$ (11,790,061)	\$ 8,035,103
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	3,440,740	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

The accompanying notes are an integral part of these financial statements

Captiva Verde Wellness Corp.

Statement of Cash Flows

For the period ended April 30, 2023 and 2022

(amounts expressed in Canadian dollars, except where indicated)

	Note	Three months Ended April 30,		Six Months Ended April 30	
		2023	2022	2023	2022
Cash used from operating activities					
Net loss for the period		\$ (301,121)	\$ (997,901)	\$ (568,350)	\$ 1,400,834
Items not affecting cash					
Reversal of Solargram receivable provision	5	-	-	-	(2,884,511)
Reversal of lease liability		-	(71,620)	-	(71,620)
Gain on shares for debt transaction		-	811,651	-	811,651
Lease accretion	7	-	2,107	-	4,523
Interest expense	10	9,975	-	24,390	-
Change in non-cash operating working capital					
Decrease (increase) in prepaid expenses and other receivables		(9,509)	36,840	(8,675)	38,360
Increase (decrease) in accounts payable and accrued liabilities		246,355	61,057	344,930	189,872
Net cash used in operating activities		(54,300)	(157,866)	(207,705)	(510,891)
Cash flows from investing activities					
Sage Ranch		-	-	-	(7,800)
Solargram Farms		-	(18,135)	-	(18,135)
Mexico Operations		-	-	-	(38,304)
			(18,135)		(64,239)
Cash flows from financing activities					
Proceeds from private placement, net of transaction costs	8	-	-	400,000	381,000
Share issuance costs	8	(1,826)	-	(10,228)	(12,378)
Lease payments		-	-	-	(3,507)
Mexico loan receivable		-	-	-	(33,500)
Loan payable		(161,000)	200,000	(406,000)	194,523
Share subscription proceeds received in advance		222,901	-	222,901	-
		60,075	200,000	206,673	526,138
Increase (decrease) in cash		5,775	23,999	(1,032)	(48,992)
Cash – beginning of period		8,779	14,226	15,586	87,217
Cash – end of period		\$ 14,554	\$ 38,225	\$ 14,554	\$ 38,225

The accompanying notes are an integral part of these financial statements

Captiva Verde Wellness Corp.

Notes to the Financial Statements

For the period ended April 30, 2023 and 2022

(amounts expressed in Canadian dollars, except where indicated)

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 a loss of \$568,350 for the period ended April 30, 2023 and as at April 30, 2023 has an accumulated deficit of \$11,790,061. As at April 30, 2023, the Company has working capital deficit of \$1,705,261. 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.

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.

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, 2022.

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, 2022. 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, 2022.

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, 2023.

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.

Captiva Verde Wellness Corp.

Notes to the Financial Statements

For the period ended April 30, 2023 and 2022

(amounts expressed in Canadian dollars, except where indicated)

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.

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:

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

Captiva Verde Wellness Corp.

Notes to the Financial Statements

For the period ended April 30, 2023 and 2022

(amounts expressed in Canadian dollars, except where indicated)

3. funding all 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).

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, 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 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, 2023	October 31, 2022
Opening	\$ 5,591,588	\$ 5,583,788
Additions – permitting and development costs	-	7,800
	\$ 5,591,588	\$ 5,591,588

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 April 30, 2023, 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):

	April 30, 2023	October 31, 2022
Opening	\$ 4,148,776	\$ 4,130,403
Additions	-	18,373
	\$ 4,148,776	\$ 4,148,776

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.

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. The provision was reversed during fiscal 2022 as management determined that negotiations were progressing although as at October 31, 2022 concluded that the amount should be provided for again due to the uncertainty of settlement. 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.

Captiva Verde Wellness Corp.

Notes to the Financial Statements

For the period ended April 30, 2023 and 2022

(amounts expressed in Canadian dollars, except where indicated)

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 \$400,131 in receivables from Esmeralda relating to the Company funding Esmeralda operations until the acquisition closes. For the year ended 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.

Property, plant and equipment (construction in progress):

	April 30, 2023	October 31, 2022
Opening	\$ -	\$ 1,057,206
Additions	-	38,304
Impairment	-	(1,095,510)
	\$ -	\$ -

7 Right of use asset and lease liability

Lease liability	April 30, 2023	October 31, 2022
Opening balance	\$ -	\$ 70,604
Reversal of lease liabilities	-	(71,620)
Lease payments	-	(3,507)
Accretion	-	4,523
	\$ -	\$ -
Less: current portion	-	-
Classified as long-term liability	\$ -	\$ -

Undiscounted lease payments	April 30, 2023	October 31, 2022
Not later than a year	\$ -	\$ -
Later than a year	-	-
	\$ -	\$ -

Depreciation of right-to-use assets is calculated using the straight-line method over the remaining lease term. The lease was accounted for using a discount rate used of 12% over 36 months. The Company’s lease related to an equipment lease. During the year ended October 31, 2022, the Company and Solargram agreed that Solargram would continue with the lease payments and therefore \$71,620 of the remaining lease liability has been reversed.

Captiva Verde Wellness Corp.

Notes to the Financial Statements

For the period ended April 30, 2023 and 2022

(amounts expressed in Canadian dollars, except where indicated)

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, 2023 the issued and outstanding share capital consists of 205,116,067 common shares.

Fiscal 2023

On December 23, 2022, the Company closed a non-brokered private placement consisting of 20,000,000 units at a price of \$0.02 per unit 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 two years. As part of the financing, the Company incurred \$8,402 in transaction costs.

The total warrants issued were 20,000,000. The relative fair value of the warrants was calculated at \$207,240 and was determined on the date of the issuance using the Black-Scholes option pricing model with the following weighted average assumptions: 3.14% risk free interest rate, expected life of 5 years, 144% annualized volatility and 0% dividend rate.

During the period ended April 30, 2023, 625,000 warrants were exercised for a reduction of accounts payable of \$62,500.

On April 28, 2023, the Company announced a non-brokered private placement offering of up to 80,000,000 units at a price of \$0.032 per unit for gross proceeds of up to \$2,560,000. Each unit will consist of one common share of the Company and one common share purchase warrant, with each warrant entitling the holder thereof to acquire one common share of the Company at a price of \$0.05 for a period of five years following the closing of the offering. As at April 30, 2023 the Company has received \$222,901 as part of the financing and recorded these amounts as subscription proceeds received in advance.

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 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. As part of the financing, the Company incurred \$12,378 in transaction costs.

The total warrants issued were 12,000,000. The relative fair value of the warrants 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.

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. As part of the transaction, the Company recorded a loss on shares for debt of \$811,651.

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

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 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.

On July 13, 2022 the Company issued 12,000,000 share-purchase options at a price of \$0.04 per share for a term of three years. The fair value of the share options was estimated at \$184,465 on the date of grant using the Black-Scholes option pricing model, with the following

Captiva Verde Wellness Corp.

Notes to the Financial Statements

For the period ended April 30, 2023 and 2022

(amounts expressed in Canadian dollars, except where indicated)

assumptions: expected option life of 3 years, expected stock price volatility 114%, dividend payment during life of option was nil and risk free interest rate 3.17%.

A summary of stock option information as at April 30, 2023 and October 31, 2022 is as follows:

	April 30, 2023		October 31, 2022	
	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
Outstanding – beginning of year	16,100,000	\$ 0.10	6,100,000	\$ 0.21
Granted	-	-	12,000,000	0.04
Exercised/Expired	(1,100,000)	0.30	(2,000,000)	0.04
Outstanding – end of year	15,000,000	\$ 0.09	16,100,000	\$ 0.10

The following table discloses the number of options and vested options outstanding as at April 30, 2023:

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	0.53	3,000,000	\$0.11	0.53
2,000,000	\$0.30	1.64	2,000,000	\$0.30	1.64
10,000,000	\$0.04	2.21	10,000,000	\$0.04	2.21
15,000,000	\$0.09	1.81	15,000,000	\$0.09	1.81

c) Share purchase warrants as at April 30, 2023 and October 31, 2022:

	April 30, 2023		October 31, 2022	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Outstanding – beginning of year	15,440,740	\$ 0.24	35,154,740	\$ 0.71
Issued	20,000,000	0.05	12,000,000	0.10
Expired	(3,440,740)	0.75	(31,714,000)	0.71
Exercised	(625,000)	0.10	-	-
Outstanding – as at year end	31,375,000	\$ 0.07	15,440,740	\$ 0.24

Number of warrants	Exercise price per warrant	Expiry date
11,375,000	\$0.10	November 10, 2023
20,000,000	\$0.05	December 23, 2027
Total:	31,375,000	

As at April 30, 2023, the weighted average exercise price of the warrants outstanding was \$0.07 (October 31, 2022 - \$0.24) with a weighted average remaining contractual life of 1.81 years (October 31, 2022 – 2.24 years).

Captiva Verde Wellness Corp.

Notes to the Financial Statements

For the period ended April 30, 2023 and 2022

(amounts expressed in Canadian dollars, except where indicated)

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

	April 30, 2023		October 31, 2022	
	Carrying value \$	Fair value \$	Carrying value \$	Fair value \$
Financial assets				
<i>Fair value through profit and loss ("FVTPL")</i>				
Cash	14,554	14,554	15,586	15,586
Financial liabilities				
<i>Other financial liabilities</i>				
Accounts payable and accrued liabilities	1,277,209	1,277,209	994,778	994,778
Loans payable	452,116	452,116	833,726	833,726

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, 2023.

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.

Captiva Verde Wellness Corp.

Notes to the Financial Statements

For the period ended April 30, 2023 and 2022

(amounts expressed in Canadian dollars, except where indicated)

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.

As at April 30, 2023 the Company had amounts payable of \$891,171 (October 31, 2022 - \$577,659) to related parties. These amounts are unsecured and non-interest bearing.

During the period ended April 30, 2023 the Company incurred an expense of \$60,000 to a Company controlled by an executive related to consulting expenses (April 30, 2022 - \$42,000).

During the period ended April 30, 2023, the Company incurred an expense of \$nil to an executive of the Company related to office space and administrative expenses (April 30, 2022 - \$54,000). In addition, during the period ended April 30, 2023, the Company incurred an expense of \$392,408 related to consulting expenses (April 30, 2022 - \$323,261).

During the period ended April 30, 2023 the Company incurred an expense of \$nil to a Company controlled by a director related to consulting expenses (April 30, 2022 - \$5,977).

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 April 30, 2023 the Company had a loan payable of \$452,116 (October 31, 2022 - \$833,726) to Greenbriar. On April 20, 2022, the Company entered into a promissory note with Greenbriar where the loan would bear interest at the rate of 8% per annum for a term of 24 months. During the period ended April 30, 2023 the Company recorded \$24,390 (2021 - \$nil) in interest expense related to the loan. During the period ended April 30, 2023 the Company repaid \$406,000 of the loan.

11 Commitments

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. As at April 30, 2023, there are no commitments other than already disclosed.

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 April 30, 2023				As at October 31, 2022			
	Canada	USA	Mexico	Total	Canada	USA	Mexico	Total
Assets								
Sage ranch project	-	5,591,588	-	5,591,588	-	5,591,588	-	5,591,588
Solargram farms	4,148,776	-	-	4,148,776	4,148,776	-	-	4,148,776
Income								
Revenue	-	-	-	-	-	-	-	-
Interest expense	(24,390)	-	-	(24,390)	(38,430)	-	-	(38,430)
Loss	(568,350)	-	-	(568,350)	(2,105,426)	-	(1,519,807)	(3,625,233)