

CAPTIVA VERDE WELLNESS CORP.

Management's Discussion and Analysis

For the period ended April 30, 2023

(Expressed in Canadian dollars, unless otherwise noted)

June 21, 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 the unaudited condensed consolidated interim financial statements for the six months ended April 30, 2023, 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 \$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.

HIGHLIGHTS – PERIOD ENDED APRIL 30, 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.
- 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.

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).

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:

	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

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.

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)
	\$ -	\$ -

DISCUSSION OF OPERATIONS

	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	(9,975)	-	(24,390)	-
Reversal of Solargram receivable provision	-	-	-	2,884,511
Lease accretion	-	(2,107)	-	(4,523)
Lease reversal	-	71,620	-	71,620
Loss on shares for debt transaction	-	(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

Three months ended April 30, 2023 compared to historic period in 2022

Revenue is \$nil for the three months ended April 30, 2023 and 2022, as the Company has not developed any projects to the revenue generation stage. The Company had a loss of \$301,121 for the three months ended April 30, 2023 compared to a loss of \$997,901 in the three months ended April 30, 2022. The decrease in loss is the result of the Company not recording a \$811,651 loss on share for debt settlement or \$71,620 gain on lease reversal in the current period and recording a general decrease in legal fees and an increase in consulting fees in the current period. The basic and diluted loss per share of \$(0.00) is a result of the decreased loss.

Six months ended April 30, 2023 compared to historic period in 2022

Revenue is \$nil for the six months ended April 30, 2023 and 2022, as the Company has not developed any projects to the revenue generation stage. The Company had a loss of \$568,350 for the six months ended April 30, 2023 compared to income of \$1,400,834 in the six months ended April 30, 2022. The increase in loss is the result of the Company not recording a gain on reversal of Solargram receivable of \$2,884,511 a \$811,651 loss on share for debt settlement or \$71,620 gain on lease reversal in the current year and having a general decrease in legal and professional fees incurred and a slight increase in consulting fees in the current period compared to the previous period. The basic and diluted loss per share of \$(0.00) is a result of the decreased loss.

	April 30, 2023	October 31, 2022
Cash and cash equivalents	\$ 14,554	\$ 15,586
Total assets	9,764,428	9,756,784
Non-current financial liabilities	-	-
Cash dividends declared	\$ 0.00	\$ 0.00

Cash and cash equivalents were \$14,554 as at April 30, 2023 which is lower than October 31, 2022 and is the result of increased corporate activity and continued development of the Company's projects. Total assets of \$9,764,428 as at April 30, 2023 is comparable to total assets of \$9,756,784 as at October 31, 2022. There were no cash dividends declared as at April 30, 2023 and October 31, 2022.

Summary of Quarterly Results

<i>(table amounts are expressed in thousands of CAD dollars)</i>	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Expenses	\$ (291,146)	\$ (252,814)	\$ (327,395)	\$ (303,787)	\$ (255,763)	\$ (483,360)	\$ (449,485)	\$ (171,747)
Other income (expense)	(9,975)	(14,415)	(2,122,048)	(17,909)	(742,138)	2,882,095	(48,005)	17,962
Net loss	(301,121)	(267,229)	(4,704,371)	(321,696)	(997,901)	2,398,735	(3,381,941)	(153,785)
Total comprehensive gain (loss)	(301,121)	(267,229)	(4,704,371)	(321,696)	(997,901)	2,398,735	(3,381,941)	(153,785)
Basic/Diluted loss per share	(0.00)	(0.00)	(0.03)	(0.01)	(0.01)	0.02	(0.03)	(0.00)
Total assets	\$ 9,764,428	\$ 9,749,143	\$ 9,756,784	\$ 14,170,599	\$ 14,195,666	\$ 14,190,371	\$ 11,300,768	\$ 14,679,879

Three months ended April 30, 2023 compared to all historic quarters

The Company incurred a net loss and total comprehensive loss of \$301,121 in the current quarter which is slightly higher than Q1 2023 and is lower than the three previous three quarters. The decrease in net loss is the result of lower legal and professional fees related to the Solargram legal issue and a decrease in consulting fees in the quarter as the Company assess its strategic directive. The Q2 2021 to Q1 2022 results fluctuate due to the Company providing for and then reversing the Solargram receivable provision.

Change in total assets

Total assets were \$9,764,428 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 Q4 2022.

LIQUIDITY AND CAPITAL RESOURCES

<i>(tabled amounts are expressed in CAD dollars)</i>	Six months ended April 30, 2023	Six months ended April 30, 2022
Cash inflow (outflows) from operating activities	\$ (207,705)	\$ (510,891)
Cash inflow (outflows) from financing activities	206,673	526,138
Cash inflow (outflows) from investing activities	-	(64,239)
Net cash flows	(1,032)	(48,992)
Cash balance	\$ 14,554	\$ 38,225

As at April 30, 2023, the Company's net working capital deficit was \$1,705,261 (October 31, 2022 – working capital of \$1,812,084).

Cash outflows from operating activities of \$207,705 were lower than the outflows in the comparative period in 2022 due to change in working capital items net of corporate expenses.

Cash inflows from financing activities of \$206,673 were lower than the inflows in the comparative period in 2022 due to the Company completing a private placement and repaying a portion of the Greenbriar loan in the current period.

Cash outflows from investing activities were \$nil as result of the Company being on hold with their 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. As at April 30, 2023, there are no commitments other than already disclosed.

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 Company has the appropriate liquidity to meet its operating and growth objectives. As at April 30, 2023 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 April 30, 2023, and the date of this report, the Company had 205,116,067 common shares, 31,375,000 share purchase warrants and 15,000,000 share purchase options outstanding.

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.

On February 23, 2023, 625,000 warrants were exercised for a reduction in 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.

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
11,375,000	\$0.10	November 10, 2023
20,000,000	\$0.05	December 23, 2027
Total:	31,375,000	

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
2,000,000	\$0.30	December 18, 2024
10,000,000	\$0.04	July 13, 2025
Total:	15,000,000	

REGULATORY DISCLOSURES

Off-Balance Sheet Arrangements

As at April 30, 2023, 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 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. 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 Greenbrier 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.

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

	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.

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.