Captiva Verde Wellness Corp.

Consolidated Financial Statements
For the years ended October 31, 2023 and 2022

(amounts expressed in Canadian dollars, except where indicated)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Captiva Verde Wellness Corp.

Opinion

We have audited the accompanying consolidated financial statements of Captiva Verde Wellness Corp. (the "Company"), which comprise the consolidated statement of financial position as at October 31, 2023 and 2022, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that the Company incurred a loss of $6,085,110 during the year ended October 31, 2023 and, as of that date, the Company's current liabilities exceeded its current assets by $1,820,480. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

Impairment of Solargram farms and impairment assessment of Miami padel club

As described in Notes 7 and 11 to the consolidated financial statements, the carrying amount of the Company's Solargram farms asset was $948,000, and the Miami padel club was $3,973,703 as of October 31, 2023. As more fully described in Notes 3 and 4 to the consolidated financial statements, non-financial assets are assessed for impairment at each reporting period, prior to determining the recoverable amount of the asset. In determining the recoverable amount, management uses valuation techniques, including the replacement cost approach, the sales comparison approach, market calibration approach, or a combination thereof, to determine the recoverable amount of non-financial assets. There are significant unobservable inputs used in estimating the recoverable amount of non-financial assets and significant judgments are made related to uncertainty of the timing associated with settling ongoing legal actions.

The principal considerations for our determination of the recoverable amount of these non-financial assets is a key audit matter are due to the estimation uncertainty underlying the valuations and the significant value of Solargram farms and the Maimi padel club at year-end. This determination required the use of appropriate valuation techniques which included significant unobservable inputs. This in turn led to a high degree of auditor judgment, subjectivity and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of the recoverable amount of these non-financial assets.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures include, among others:

- Evaluating the competency, capabilities and objectivity of the third-party valuator and legal expert used by management.
- Reviewing the valuations reports and substantively testing a sample of the assumptions within to independent sources of information.
- Utilizing our internal valuations department to conclude on the appropriateness of the methodology used in the valuations reports.
- Utilizing our internal valuations department to test the accuracy of the calculations in applying the methodology used in the valuations reports.
- Evaluating the opinion of legal counsel with respect to timeline of resolution of legal actions for the Solargram farms asset.
- Assessing management estimates underlying the valuation for evidence of bias or error.
- Reviewing title documents for properties and assessing the status of properties for the Solargram farms asset.
- Checking and evaluating the financial statement disclosures in relation to the fair value of these non-financial.

Accounting for the Acquisition of Sonny Sports Enterprises, Inc. "Sonny"

As described in Note 11 to the consolidated financial statements, during the year ended October 31, 2023, the Company acquired 100% of Sonny (the "Transaction") for consideration of 60,000,000 common shares and US$1,500,000 cash. As more fully described in Notes 3 and 4, judgment is required by the Company to assess whether the Transaction constituted a business combination or an asset acquisition.

We identified the accounting for the Transaction as a key audit matter in respect of whether the set of assets acquired, and liabilities assumed constituted a business. This matter represented an area of significant risk of material misstatement given the high degree of estimation uncertainty. A high degree of auditor judgment, subjectivity, and effort were required in performing procedures to evaluate management's significant judgments in assessing the accounting for the Transaction and the fair value of the net assets acquired.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Evaluating management's assessment of whether the Transaction constituted an asset acquisition or business combination, and conclusion the transaction was an asset acquisition by utilizing the concentration test.
- Examining and evaluating the contractual terms identified in underlying agreements in connection with the Transaction for consistency with the amounts recorded in the consolidated financial statements.

- Reviewing support for, including assessments for completeness of, the consideration paid and net assets acquired on the date of acquisition.
- Assessing the adequacy of the disclosures in the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Stephen Hawkshaw.

Davidson & Company LLP

Vancouver, Canada | Chartered Professional Accountants

February 28, 2024

Captiva Verde Wellness Corp.

Consolidated Statement of Financial Position

(amounts expressed in Canadian dollars, except where indicated)

	Note	October 31, 2023	October 31, 2022
Assets			
Current Assets			
Cash		$ 5,444	$ 15,586
Prepaids and advances	5	263,031	834
		268,475	16,420
Loan receivable	10	3,912,120	-
Sage ranch project	6	-	5,591,588
Solargram farms	7	948,000	4,148,776
Miami padel club	11	3,973,703	-
Total assets		$ 9,102,298	$ 9,756,784
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		$ 1,897,251	$ 994,778
Loans payable	14	191,704	833,726
Total liabilities		2,088,955	1,828,504
Shareholders' equity			
Share capital	12	17,684,727	13,999,273
Share based compensation reserves	12	1,281,908	1,281,908
Warrants reserves	12	5,352,207	3,868,810
Cumulative translation adjustment		1,322	-
Deficit		(17,306,821)	(11,221,711)
Total shareholders' equity		7,013,343	7,928,280
Total liabilities and shareholders' equity		$ 9,102,298	$ 9,756,784

Nature of operations and going concern (note 1)
Commitments (note 15)

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

Approved by the Board of Directors

"Jeff Ciachurski" Director "Michael Boyd" Director

Captiva Verde Wellness Corp.

Consolidated Statement of Loss and Comprehensive Loss

(amounts expressed in Canadian dollars, except where indicated)

	Note	Year Ended October 31,	
		2023	2022
Revenue			
Miami padel club league distributions		$ 174,787	$ -
Expenses		174,787	-
Administrative fees	14	(56,794)	(23,106)
Consulting fees	14	(1,001,667)	(703,997)
Filing fees		(37,742)	(56,723)
Legal and professional fees		(165,395)	(362,521)
Foreign exchange loss		(23,183)	(39,493)
Padel league fees		(11,355)	-
Advertising and promotion		(78,078)	-
Travel		(3,473)	-
Share-based compensation	12	-	(184,465)
		(1,202,900)	(1,370,305)
Other (expenses) income, net			
Loss on settlement of joint venture option	10	(1,780,085)	-
Impairment of Solargram farms	7	(3,200,776)	-
Finance expense – loan receivable accretion	10	100,617	-
Gain on settlement of accounts payable		27,062	-
Lease reversal	9	-	71,620
Impairment of Mexico assets	8	-	(1,471,807)
Lease accretion	9	-	(4,523)
Interest expense	14	(29,028)	(33,907)
Gain on shares for debt transaction	12	-	(811,651)
Other income		-	(4,660)
		(4,882,210)	(2,254,928)
Loss		(6,085,110)	(3,625,233)
Other comprehensive income/(loss)		1,322	-
Net loss and total comprehensive loss		(6,083,788)	(3,625,233)
Loss per share			
Basic and diluted		$ (0.03)	$ (0.02)
Weighted average shares outstanding			
Basic and diluted		227,406,820	174,384,218

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

Captiva Verde Wellness Corp.

Consolidated Statement of Changes in Shareholders' Equity

For the years ended October 31, 2023 and 2022
(amounts expressed in Canadian dollars, except where indicated)

	Notes	Shares	Share capital	Share based compensation reserves	Warrants reserves	Cumulative translation adjustment	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	12	110,000,000	1,771,191	-	1,508,809	-	-	3,280,000
Private placement transaction cost	12	-	(23,649)	-	-	-	-	(23,649)
Warrants exercised	12	1,625,000	137,912	-	(25,412)	-	-	112,500
Cumulative translation adjustment		-	-	-	-	1,322	-	1,322
Miami Padel Club acquisition	11	60,000,000	1,800,000	-	-	-	-	1,800,000
Loss for the year		-	-	-	-	-	(6,085,110)	(6,085,110)
Balance at October 31, 2023		356,116,067	$ 17,684,727	$ 1,281,908	$ 5,352,207	$ 1,322	$ (17,306,821)	$ 7,013,343

	Notes	Shares	Share capital	Share based compensation reserves	Warrants reserves	Subscription proceeds received in advance	Deficit	Total equity
Balance at October 31, 2021		143,491,067	$ 11,309,726	$ 1,128,188	$ 3,579,990	$ 339,000	$ (7,596,478)	$ 8,760,426
Private placement	12	12,000,000	431,180	-	288,820	(339,000)	-	381,000
Private placement transaction cost	12	-	(12,378)	-	-	-	-	(12,378)
Shares for debt	12	27,000,000	2,160,000	-	-	-	-	2,160,000
Share-based compensation expense	12	-	-	184,465	-	-	-	184,465
Options exercised	12	2,000,000	110,745	(30,745)	-	-	-	80,000
Loss for the year		-	-	-	-	-	(3,625,233)	(3,625,233)
Balance at October 31, 2022		184,491,067	$ 13,999,273	$ 1,281,908	$ 3,868,810	$ -	$ (11,221,711)	$ 7,928,280

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

Captiva Verde Wellness Corp.

Consolidated Statement of Cash Flows

(amounts expressed in Canadian dollars, except where indicated)

	Note	Year Ended October 31	
		2023	**2022**
Cash used from operating activities			
Loss for the year		$ (6,085,110)	$ (3,625,233)
Change in non-cash operating working capital			
Lease accretion expense	9	-	4,523
Share-based compensation	12	-	184,465
Lease reversal	9	-	(71,620)
Interest expenses	14	29,028	33,907
Gain on settlement of accounts payable		(27,062)	-
Loss on settlement of joint venture option	10	1,780,085	-
Impairment of Solargram farms	7	3,200,776	-
Finance expense – loan receivable accretion	10	(100,617)	-
Impairment of Mexico assets	8	-	1,471,807
Loss on shares for debt transaction	12	-	811,651
Decrease (increase) in prepaid expenses and other receivables		(262,197)	74,688
Increase in accounts payable and accrued liabilities		826,920	646,963
		(638,177)	(468,849)
Cash flows from investing activities			
Sage ranch	6	-	(49,474)
Mexico operations	8	-	(20,781)
Mexico loan receivables	8	-	(33,500)
Solargram farms	7	-	(76,722)
Miami Padel Club acquisition	11	(2,030,250)	-
		(2,030,250)	(180,477)
Cash flows from financing activities			
Proceeds from private placement	12	3,280,000	381,000
Share issuance costs		(665)	(2,398)
Lease payments	9	-	(3,507)
Proceeds received from warrant exercises	12	50,000	-
Proceeds from loans payable, net of repayments	14	(671,050)	202,600
		2,658,285	577,695
Increase in cash		(10,142)	(71,631)
Cash – beginning of year		15,586	87,217
Cash – end of year		$ 5,444	$ 15,586

See supplemental cash flow information in note 17

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

1 Nature of operations and going concern

Captiva Verde Wellness Corp. (“Captiva” or the “Company”) is a sustainable real estate company that also invests in sports and wellness opportunities.

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 consolidated 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 investing in sports and wellness opportunities. The Company had a loss of $6,085,110 for the year ended October 31, 2023 and as at October 31, 2023 has an accumulated deficit of $17,306,821. As at October 31, 2023, the Company has working capital deficit of $1,820,480. 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 political conflict in other regions 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 consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The polices set out below were consistently applied to all periods presented.

These consolidated financial statements were authorized for issue by the Board of Directors on February 28, 2024.

3 Material accounting policies

Basis of presentation

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair value as described in the significant accounting policies. All information is expressed in Canadian dollars unless otherwise stated and are prepared in accordance with the significant accounting policies outlined below.

Principles of consolidation

Subsidiaries

These consolidated financial statements include the accounts of Captiva and its subsidiaries. All intercompany balances, transactions, income and expenses, and profits or losses have been eliminated on consolidation. The Company consolidates where there is ability to exercise control. Control of an investee is defined to exist when the Company is exposed to variable returns from its involvement with the investee and has the ability to affect those returns through the Company’s power over the investee. Specifically, the Company controls an investee if and only if, it has all of the following: power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee); exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect its returns.

(amounts expressed in Canadian dollars, except where indicated)

Outlined below is information related to the Company's subsidiaries at October 31, 2023:

	Place of business	Entity type	Ownership interest
1324954 BC Ltd	Canada	Subsidiary	100%
1435328 BC Ltd	Canada	Subsidiary	100%
1435300 BC Ltd.	Canada	Subsidiary	100%
Sonny Sports Enterprises, Inc	USA	Subsidiary	100%

Foreign currency translation

The Company's functional and local currency is the Canadian dollar and its Canadian subsidiaries have a functional currency of Canadian dollars and its USA subsidiaries have a functional currency of United States dollars.

Transactions and balances

Foreign currency transactions are translated into the relevant functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Translation of subsidiary results into the presentation currency

The operating results and statements of financial position of the Company's subsidiaries are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of the statement of financial position;
- Income and expenses for each statement of loss and comprehensive loss are translated at average exchange rates, unless the average is not reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates; in which case income and expenses are translated at the rate on the dates of the transaction; and
- All resulting exchange differences are recognized directly in OCI and accumulated in the foreign currency translation reserve.

On consolidation, exchange differences arising from the transaction of the net investment in foreign entities are recognized in a separate component of equity, foreign currency translation reserve. When a foreign operation is sold, such exchange differences are reclassified to profit or loss on disposal.

Cash

Cash includes cash on deposit and short-term investments with a maturity at the date of purchase of 90 days or less.

Financial Instruments – Recognition and Measurements

(i) Non-derivative financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are classified as FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income/loss.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Cash and certain receivables are measured at amortized cost with subsequent impairments recognized in profit or loss.

Impairment

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

(ii) Non-derivative financial liabilities

Financial liabilities, other than derivatives, are initially recognized at fair value less directly attributable transaction costs. Subsequently, financial liabilities are measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable and accrued liabilities and loans payable are measured at amortized cost.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon recognition as FVTPL. Fair value changes on these liabilities are recognized in profit or loss.

(iii) Derivative financial instruments

Derivative financial instruments are initially recognized at fair value and subsequently measured at fair value with changes in fair value recognized in profit or loss. Transaction costs are recognized in profit or loss as incurred.

Property held for development and sale

Construction in progress expenditures, including the cost of material, direct labour, and other direct costs are recognized as property, plant and equipment when the following recognition requirements are met:

- costs can be measured reliably; and
- it is probably that future economic benefits associated with the item will flow to the Company.

Construction in progress assets are amortized once they are available for their intended use. During the year ended October 31, 2023, the Company capitalized construction in progress costs of $nil (2022 - $56,677) presented as Solargram Farms (note 7) and Mexico operations (note 8). As at October 31, 2022, the Mexico operations were written off.

Revenues

The Company's Miami padel club derived revenue from the distribution of league-wide sponsorship contracts and other league-wide revenue sources including new franchise expansion fees. This revenue is recognized when disbursed by the league which is when the Company satisfies the five criteria of IFRS 15.

Taxation

Income tax expense represents the sum of tax currently payable and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are substantively enacted at the end of each reporting period.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences, at the end of each reporting period, between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets and liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax asset or liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable or deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled by the parent, investor or venture and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax relating to items recognized directly in equity is recognized in the statement of changes in shareholders' equity and not in the statement of loss and comprehensive loss.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Share-based payments

The Company accounts for share-based compensation using the Black-Scholes option pricing model. Accordingly, the fair value of the options at the date of grant is accrued with a corresponding credit to share based compensation reserves and charged to earnings over the vesting period. If, and when, the stock options are exercised, the applicable amounts of share based compensation reserves are transferred to share capital. In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the stock-based compensation. Otherwise, share-based compensation is measured at the fair value of goods or services received.

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

The Company has adopted a relative fair value method with respect to the measurement of shares and warrants issued as units. Under the relative fair value method, the Company first determines the fair values of the shares and warrants included in the units, then allocates the unit price based on the relative fair value of the instruments included in the unit. The Company considers the fair value of common shares issued in these types of transactions to be determined by the closing quoted bid price on the issuance date. The fair value of the warrants included is determined using the Black-Scholes option pricing model. Any fair value attributed to the warrants is recorded to reserves.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense. At the present time the Company has no provisions.

Loss per share

Loss per share is calculated based on the weighted average number of shares outstanding during the period. The Company follows the treasury stock method for the calculation of diluted earnings per share. Under this method, dilution is calculated based upon the net number of common shares issued should "in-the-money" options and warrants be exercised and the proceeds be used to repurchase common shares at the average market price in the year. Dilution from convertible securities is calculated based on the number of shares to be issued after taking into account the reduction of the related after-tax interest expense.

Basic loss per share is computed by dividing loss for the year by the weighted average number of common shares outstanding during the reporting period. Diluted loss per share is computed similar to basic earnings per share except that the weighted average shares outstanding are increased to include additional shares from the assumed exercise of share options and warrants, if dilutive.

Intangible assets

Intangible assets are recognized as assets when it is probable that the asset will generate future economic benefits and where the cost of the asset can be determined reliably. Intangible assets are initially recognized at cost and are subsequently carried at cost less accumulated amortization, if applicable, and impairment. Intangible assets with indefinite lives or those that are not yet available for use are not amortized but are reviewed annually for impairment. Any impairment of intangible assets is recognized in the statement of loss and comprehensive loss. Sage ranch (note 6) and Miami padel club (note 11) is accounted for under this standard.

Estimated useful lives of intangible assets with finite lives are the shorter of the economic life and the period the right is legally enforceable. The assets' useful lives are reviewed, and adjusted if appropriate, at each financial reporting date. At each financial reporting date, the carrying amounts of the Company's intangible assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. The Miami padel club is an indefinite life intangible asset.

Property, plant and equipment

Property, plant and equipment ("PPE") are recorded at cost and carried net of accumulated depreciation and accumulated impairment losses. Costs of additions and improvements are capitalized. An item of PPE is derecognized upon disposal, or impaired when no future economic benefits are expected to arise from continued use of the asset. Any gain or loss on disposal of the asset, determined as the difference between the proceeds and the carrying amount of the asset is recognized in profit or loss. Solargram farms (note 7) and Mexico operations (note 8) are accounted for under this standard.

Impairment of non-financial assets

For the purposes of assessing impairment, the recoverable amount of an asset, which is the higher of its fair value less costs to sell and its value in use, is estimated. If it is not possible to estimate the recoverable amount of an individual asset, the asset is included in the cash-generating unit to which it belongs and the recoverable amount of the cash generating unit is estimated. As a result, some assets are tested individually for impairment and some are tested at the cash-generating unit level. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

Intangible assets with an indefinite useful life and intangible asset not yet available for use are also tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the asset is impaired. The Company also considers net book value of the asset, the ongoing costs required to maintain and operate the asset, and the use, value and condition of the asset.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the value-in-use, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. Future cash flows used in the determination of value in use are estimated based on expected future production, recoverability of reserves, commodity prices, operating costs, reclamation costs and capital costs. Management estimates of future cash flows are subject to risks and uncertainties. It is reasonably possible that changes in estimates could occur which may affect the recoverable amounts of assets.

Fair value is determined with reference to discounted estimated future cash flow analysis or on recent transactions involving dispositions of similar properties.

An impairment loss for a cash-generating unit is first allocated to reduce the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is allocated on a pro rata basis to the other assets in the cash-generating unit. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist or may have decreased. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash generating unit) is increased to the revised estimate of its recoverable amount, however only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years.

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement exists, and if the Company has the right to direct the use of the asset. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

As a lessee, the Company recognizes a right-of-use asset and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- exercise prices of purchase options if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in the estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit or loss.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit or loss on a straight-line basis over the lease term.

New accounting standards and interpretations adopted during the current period

IAS 1 Presentation of Financial Statements

As at November 1, 2022, the Company adopted amendments made to International Accounting Standard 1 Presentation of Financial Statements ("IAS 1"). IAS 1 provides a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date and does not impact the amount or timing of recognition. The adoption of this amendment did not have a material impact on the audited consolidated financial statements.

As at November 1, 2022, the Company adopted amendments made to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements in which guidance and examples are provided to help entities apply materiality judgments to accounting policy disclosures. The adoption of this amendment did not have a material impact on the audited consolidated financial statements.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

As at November 1, 2022, the Company adopted amendments made to International Accounting Standard 8 Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") which introduces a new definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify how entities use measurement techniques and inputs to develop accounting estimates. The adoption of this amendment did not have a material impact on the audited consolidated financial statements.

IAS 12 Income taxes

As at November 1, 2022, the Company adopted amendments made to International Accounting Standard 12 Income Taxes ("IAS 12"). IAS 12 was amended so that it no longer applies to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. The amendments apply to annual reporting periods beginning on or after January 1, 2023, with earlier application permitted. The adoption of this amendment did not have a material impact on the audited condensed consolidated financial statements.

New accounting standards and interpretations issued but not yet effective

None

4 Significant accounting estimates and judgments

The preparation of these consolidated 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 consolidated financial statements and reported amounts of revenues and expenses during the reporting period.

On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue, and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

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

Share-based payments

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

(amounts expressed in Canadian dollars, except where indicated)

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.

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. During the year ended October 31, 2023, management identified indicators of impairment and performed a recoverability assessment which included incorporating the likelihood of when the legal issues with Solargram will be concluded and recorded an impairment. The recoverable amount for the Miami padel club was determined to support the carrying amount based on a market-calibration and comparability approach.

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.

Acquisition of Sonny Sports Enterprises, Inc.

During the year ended October 31, 2023, the Company acquired 100% of the outstanding shares of Sonny Sports Enterprises, Inc., which owns the operating rights of the Miami Padel Club of the Pro Padel League (Note 11). Management determined that the purchase represented an acquisition of assets rather than a business combination. The allocation of purchase consideration to each component is based on the relative fair value of the assets acquired. The Company determined that only one asset was acquired: the rights to the Miami Padel Club.

5 Prepaids and advances

	October 31, 2023	October 31, 2022
Prepaid padel league membership fees	245,772	-
GST receivable	9,906	-
Prepaid expenses	7,353	834
	$ 263,031	**$ 834**

(amounts expressed in Canadian dollars, except where indicated)

6 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

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 had 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.

On June 22, 2023 and amended on August 21, 2023, the Company and Greenbriar agreed to terminate and settle the Option and Joint Venture Agreement whereby Greenbriar will pay the Company the outstanding $5,591,588 in 48 equal monthly installments of $116,491 starting on July 1, 2024, with the last payment on June 1, 2028 (note 10). Subsequent to the amount being repaid, the Company will no longer have any further interest in and to the Sage Ranch project.

Total payments, pursuant to the Option:

	October 31, 2023	October 31, 2022
Opening	$ 5,591,588	$ 5,583,788
Additions – permitting and development costs	-	7,800
Transfer to loan receivable upon settlement agreement	(5,591,588)	-
	$ -	**$ 5,591,588**

(amounts expressed in Canadian dollars, except where indicated)

7 Solargram farms

On May 8, 2019, the Company entered into an agreement to acquire Solargram Farms Corporation ("Solargram"), a Canadian controlled private corporation, having corporate offices in Moncton, NB. As consideration the Company will issue 30,000,000 shares upon acquisition which had a prerequisite of Solargram obtaining their Cannabis Grow License by Health Canada and meeting other certain financial and legal conditions that are not yet met. On June 29, 2020, Solargram received their Cannabis Grow License from Health Canada. As at October 31, 2023, the transaction has not closed.

On January 26, 2021, Solargram was approved of a Canadian Federal Health Canada processing license.

During the year ended October 31, 2021, Solargram initiated a claim against the Company for breach of contract and are seeking beneficial ownership of the Company's Solargram farm assets in addition to damages. The Company responded with a counterclaim. To date there has been no resolution and the parties are awaiting trial.

Property, plant and equipment (construction in progress):

	October 31, 2023	October 31, 2022
Opening	$ 4,148,776	$ 4,130,403
Additions	-	18,373
Impairment	(3,200,776)	
	$ 948,000	**$ 4,148,776**

As at October 31, 2023, management identified indicators of impairment and performed a recoverability assessment to determine the fair value of the property, plant and equipment making up the Solargram farms asset taking into account the likelihood of when the legal issues with Solargram will be resolved. This approach is significantly affected by changes in key assumptions of determining which comparable property, plant and equipment are most relevant and the prices for these comparable assets as well as determining the likelihood of possible outcomes and timing of the Solargram legal issues. Based on this approach, management has concluded that the Solargram farms asset had an estimated recoverable value below its carrying value as at October 31, 2023. The recoverable amount was determined based upon a replacement cost and market comparable approach resulting in an assessed value of $2,500,000. The assessed value was reduced by carrying costs and discounted using a credit adjusted risk-free rate of 7%. Management has estimated the proceedings will take up to 3 years. Due to the uncertainty associated with timing and potential outcomes of resolution, the Company selected a mid-point after probability-adjusting the discounted value. As a result, an impairment loss of $3,200,776 was recorded in the statement of loss and comprehensive loss. Management's estimate of the recoverable amount is classified as a level 3 in the fair value hierarchy as the inputs are not based on observable market data.

8 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.

(amounts expressed in Canadian dollars, except where indicated)

Property, plant and equipment (construction in progress):

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

9 Right of use asset and lease liability

Right of use asset	October 31, 2023	October 31, 2022
Opening balance	$ -	$ -
Less: depreciation	-	-
Write-off of right to use asset	-	-
	$ -	$ -

Lease liability	October 31, 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	October 31, 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 is 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.

(amounts expressed in Canadian dollars, except where indicated)

10 Loan receivable

During the year ended October 31, 2023, the Company entered into a settlement agreement with Greenbriar (note 6) where Greenbriar will pay the Company $5,591,588 in 48 equal monthly installments of $116,491 starting on July 1, 2024, with the last payment on June 1, 2028. These future payments were discounted at a rate of 13.43% and the present value of $3,811,504 was recorded as a loan receivable and $1,780,085 was recorded as a loss on settle of joint venture option. During the year ended October 31, 2023, the Company recorded accretion of $110,617.

	October 31, 2023	October 31, 2022
Opening	$ -	$ -
Transfer from Sage Ranch asset upon settlement agreement (note 6)	5,591,588	-
Discount based on present value of future cash flows	(1,780,085)	-
Accretion	100,617	
	$ 3,912,120	**$ -**

11 Miami padel club

On August 31, 2023, the Company closed its acquisition of all of the issued and outstanding securities of Sonny Sports Enterprises, Inc. ("Sonny Sports"), which owns the operating rights of the Miami Padel Club of the Pro Padel League. Management determined that the purchase represented an acquisition of assets rather than a business combination and is therefore accounted for in accordance with IFRS 2. The allocation of purchase consideration to each component is based on the relative fair value of the assets acquired.

As consideration for the acquisition, the Company (i) issued an aggregate of 60,000,000 common shares in the capital of the Company with a fair value of $1,800,000; (ii) paid US$1,500,000 cash; and (iii) incurred transaction costs of $136,266.

The purchase price consideration was:

	October 31, 2023
Common shares – 60,000,000 at $0.03	$ 1,800,000
Cash – US$1,500,000	2,030,250
Capitalized legal fees	136,266
Attributable to the Miami Padel Club	**$ 3,966,516**

(amounts expressed in Canadian dollars, except where indicated)

The net assets acquired were:

	October 31, 2023
Miami Padel Club	$ 3,973,703
Accounts payable acquired	(7,187)
Attributable to the Miami Padel Club	**$ 3,966,516**

12 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 October 31, 2023 the issued and outstanding share capital consists of 356,116,067 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 five years. As part of the financing, the Company incurred $10,228 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.

On August 31, 2023, the Company closed a non-brokered private placement consisting of 90,000,000 units at a price of $0.032 per unit for total gross proceeds of $2,880,000. 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. As part of the financing, the Company incurred $13,421 in transaction costs.

The total warrants issued were 90,000,000. The relative fair value of the warrants was calculated at $1,301,569 and was determined on the date of the issuance using the Black-Scholes option pricing model with the following weighted average assumptions: 3.89% risk free interest rate, expected life of 5 years, 146% annualized volatility and 0% dividend rate.

During the year ended October 31, 2023, 1,625,000 warrants were exercised for gross proceeds of $50,000 and a reduction of accounts payable owing to a related party of $62,500.

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.

(amounts expressed in Canadian dollars, except where indicated)

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 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%.

c) Restricted Share Units

On October 24, 2023, the Company adopted a fixed restricted share unit plan, authorizing the granting of restricted share units (each, an "RSU") to purchase up to a maximum of 10,000,000 common shares in the capital of the Company to directors, officers, employees, or consultants of the Company. As at October 31, 2023, no RSU's have been granted.

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

	October 31, 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 October 31, 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	0.08	3,000,000	$0.11	0.08
2,000,000	$0.30	1.13	2,000,000	$0.30	1.13
10,000,000	$0.04	1. 70	10,000,000	$0.04	1. 70
15,000,000	**$0.09**	**1.30**	**15,000,000**	**$0.09**	**1.30**

*- expired unexercised subsequent to October 31, 2023

(amounts expressed in Canadian dollars, except where indicated)

d) Share purchase warrants as at October 31, 2023 and October 31, 2022:

	October 31, 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	110,000,000	0.05	12,000,000	0.10
Expired	(3,440,740)	0.75	(31,714,000)	0.71
Exercised	(1,625,000)	0.07	-	-
Outstanding – as at year end	120,375,000	$ 0.05	15,440,740	$ 0.24

Number of warrants	Exercise price per warrant	Expiry date
11,375,000*	$0.10	November 10, 2023
19,000,000	$0.05	December 23, 2027
90,000,000	$0.05	August 31, 2028
Total: 120,375,000		

*expired unexercised subsequent to October 31, 2023

As at October 31, 2023, the weighted average exercise price of the warrants outstanding was $0.05 (October 31, 2022 - $0.24) with a weighted average remaining contractual life of 4.27 years (October 31, 2022 – 0.88 years).

13 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 statement of loss and comprehensive loss.

The Company's financial instruments consist of cash, receivables, and accounts payable and accrued liabilities. The fair value of these financial instruments, excluding loans receivable, approximates the carrying value due to the short maturity or current market rate associated with these instruments. Loans receivable are recognized at fair value and then accreted using the effective interest rate method.

(amounts expressed in Canadian dollars, except where indicated)

Categories of financial instrument

	October 31, 2023		October 31, 2022	
	Carrying value $	Fair value $	Carrying value $	Fair value $
Financial assets				
Amortized cost				
Cash	5,444	5,444	15,586	15,586
Loan receivable	3,912,120	3,912,120	-	-
Financial liabilities				
Other financial liabilities				
Accounts payable and accrued liabilities	1,897,251	1,897,251	994,778	994,778
Loans payable	191,704	191,704	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 year ended October 31, 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, advances and loan receivable with Greenbriar. The loan receivable with Greenbriar is a risk and management assesses the credit risk at every reporting period. 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.

14 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, 2023, the Company had amounts payable of $1,217,900 (October 31, 2022 - $577,659) to related parties. These amounts are unsecured and non-interest bearing.

During the year ended October 31, 2023, the Company incurred share-based payments expense of $nil to related parties (October 31, 2022 - $122,977).

During the year ended October 31, 2023, the Company incurred an expense of $173,619 to a Company controlled by an executive related to consulting expenses (October 31, 2022 - $90,000). 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, 2023, the Company incurred an expense of $587,828 related to consulting expenses (October 31, 2022 - $560,018).

During the year ended October 31, 2023, the Company incurred an expense of $nil to a Company controlled by a director related to consulting expenses (October 31, 2022 - $5,978).

During the year ended October 31, 2023, the Company incurred an expense of $224,820 to a Company controlled by a director related to consulting expenses (October 31, 2022 - $nil).

The Company has entered into an exchange agreement with Esmeralda for the exchange of all of the shares of Esmeralda for 80,000,000 common shares of the Company. Jeff Ciachurski, CEO, is a shareholder of Esmeralda. As at 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.

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. As at October 31, 2023, the loan payable balance was $191,704 (October 31, 2022 - $833,726). During the year ended October 31, 2023 the Company recorded $29,027 (2022 - $33,907) in interest expense related to the loan. During the year ended October 31, 2023, the Company repaid a net amount of $671,050 of the loan.

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 (note 6).

On June 22, 2023, the Company and Greenbriar agreed to terminate and settle the Option and Joint Venture Agreement where Greenbriar will pay the Company 10% of Sage Ranch's net profits per year until the total investment of $5,591,588 that the Company has spent on Sage Ranch is repaid Subsequent to period end on August 21, 2023, the Company entered into an amended agreement with Greenbriar whereby Greenbriar will pay the Company the outstanding $5,591,588 in 48 equal monthly installments of $116,491 starting on July 1, 2024, with the last payment on June 1, 2028. Subsequent to the amount being repaid, the Company will no longer have any further interest in and to the Sage Ranch project (note 6).

15 Commitments

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. As at October 31, 2023, there are no commitments other than already disclosed.

(amounts expressed in Canadian dollars, except where indicated)

16 Income taxes

The provision for income taxes differs from the amount calculated using the Canadian federal and provincial statutory income tax rates of 27.0% (2022 - 27.0%) as follows:

	October 31, 2023	October 31, 2022
Loss for the year	$ (6,085,110)	$ (3,625,233)
Expected income tax recovery	(1,643,000)	(979,000)
Change in statutory, foreign tax, foreign exchange rates and other	(10,000)	7,000
Acquisition of subsidiary	(194,000)	-
Permanent differences	1,000	50,000
Share issuance costs	(6,000)	(3,000)
Adjustment to prior years provision versus statutory tax return	193,000	24,000
Change in unrecognized deductible temporary	1,659,000	901,000
Total income tax expense (recovery)	$ -	$ -

As at October 31, 2023, no deferred tax assets are recognized on the following temporary differences as it is not probable that sufficient future taxable profit will be available to realize such assets:

	October 31, 2023	October 31, 2022
Share issue costs	$ 13,000	$ 15,000
Other	2,500,000	1,178,000
Canadian non-capital losses available for future period	2,025,000	1,686,000

The Company's non-capital losses available for future periods of $7,690,000 (2022 - $6,246,000) expire between 2027 and 2043 and share issue costs that expire up to 2047. The Company's other unrecognized deferred tax assets have no expiry date.

17 Supplemental cash flow

Supplemental cash flow information	Notes	2023	2022
Sage Ranch expenditures accrued	6	$ (7,626)	$ (7,626)
Shares issued in settlement of debt	12	$ -	$ (1,348,349)
Mexico additions made by related company		$ -	$ (17,523)
Options exercised to repay debt	12	$ -	$ 80,000
Share issuance costs accrued through accounts payable		$ (35,031)	$ (12,047)
Accounts payable acquired on acquisition	11	$ 7,187	$ -
Shares issued on Miami Padel Club acquisition	12	$ 1,800,000	$ -
Warrants exercised through account payable	12	$ 62,500	$ -
Transaction costs accrued through accounts payable	11	$ 136,266	$ -
Cash paid for interest		$ -	$ -
Cash paid for taxes		$ -	$ -

(amounts expressed in Canadian dollars, except where indicated)

18 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 three operating segments in two countries, with corporate and Solargram Farm in Canada and Miami Padel Club in the United States of America. Note the Sage Ranch operations were wound up during the year ended October 31, 2023 with the joint-venture settlement and the Mexico Operations were wound up during the year ended October 31, 2022. The Company's capital assets by country are:

	As at October 31, 2023			As at October 31, 2022			
	Canada	**USA**	**Total**	**Canada**	**USA**	**Mexico**	**Total**
Assets							
Sage ranch project	-	-	**-**	-	5,591,588	-	**5,591,588**
Solargram farms	948,000	-	**948,000**	4,148,776	-	-	**4,148,776**
Miami padel club	-	3,973,703	**3,973,703**				
Income							
Revenue	-	174,787	**174,787**	-	-	-	**-**
Interest expense	(29,028)	-	**(29,028)**	(38,430)	-	-	**(38,430)**
Loss	(6,165,809)	80,699	**(6,085,110)**	(2,105,426)	-	(1,519,807)	**(3,625,233)**