

CAPTIVA VERDE WELLNESS CORP.

Management's Discussion and Analysis

For the period ended January 31, 2024

(Expressed in Canadian dollars, unless otherwise noted)

March 28, 2024

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 consolidated financial statements for the year ended October 31, 2023, and the unaudited condensed consolidated interim financial statements for the three months ended January 31, 2024, 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 also invests in sports and wellness opportunities.

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 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 organic food production and pharmaceutical products. The Company had a loss of \$345,463 for the period ended January 31, 2024 and as at January 31, 2024 has an accumulated deficit of \$17,652,284. As at January 31, 2024, the Company has working capital deficit of \$2,069,247. 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 geo-political conflicts 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.

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. 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 issued an aggregate of: (i) 60,000,000 common shares in the capital of the Company; and (ii) payment of US\$1,500,000 cash.

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

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

Padel is considered to be the racquet sport of this century, and according to the International Padel Federation, it’s one of the fastest-growing sport globally. The sport has gone through a rapid growth during the last 20 years – there are over 25 million players and over 4,000 Padel clubs in 90 countries around the world and the popularity is set to increase. Invented in Mexico in the 1960s, the sport has become widely spread throughout the whole of Latin America and the United States. Miami is the strategic hub for the world of Padel and Captiva is excited to be in this major location for the worldwide explosion of Padel. The Miami Padel Club was the 2023 regular season leader of the Pro Padel League with a 5-1 season record. The ten (10) teams of the Pro Padel League are now Miami, New York, Los Angeles, San Diego, Cancun, Toronto, Las Vegas, Houston, Orlando and Arkansas.

There exists between the team ownership, their respective players and ambassadors over 100 million followers on all social media platforms, giving the League a solid presence.

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 417-012-24 (approx. 5.63 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 was in default).

The Company had 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.

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. 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:

	January 31, 2024	October 31, 2023
Opening	\$ -	\$ 5,591,588
Additions – permitting and development costs	-	-
Transfer to loan receivable upon settlement agreement	-	(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. The acquisition will give the Company access to a world class team of experienced operators and growers, dedicated to full spectrum, hand crafted, outdoor organic cannabis and oil extracts, providing high valued finished health and wellness products using natural farm inputs. The Solargram team has over 40 years of combined industry specific, non-stop operating, growing and processing experience in a specific regional market that, taken together, has over 125 years of collective experience. As consideration the Company will issue 30,000,000 shares upon acquisition which has a prerequisite of Solargram obtaining their Cannabis Grow License by Health Canada. On June 29, 2020, Solargram received their Cannabis Grow License from Health Canada. As at the date of this report this transaction has not yet closed.

On September 26, 2019, the Company completed the acquisition of over 5 million square feet of land for cannabis production and 30,000 square feet of buildings to commence the infrastructure buildout for Solargram's Health Canada site evidence package as part of the final steps to obtaining an outdoor organic grow license.

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

Property, plant and equipment (construction in progress):

	January 31, 2024	October 31, 2023
Opening	\$ 948,000	\$ 4,148,776
Additions	-	-
Impairment	-	(3,200,776)
	\$ 948,000	\$ 948,000

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.

During the year ended October 31, 2023, the Company recorded an impairment of \$3,200,776 relating to the Solargram farms project. 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.

DISCUSSION OF OPERATIONS

	Three months ended January 31,	
	2024	2023
Expenses		
Administrative fees	\$ (11,686)	\$ (14,815)
Consulting fees	(296,200)	(195,528)
Filing fees	(3,422)	(7,274)
Legal and professional fees	(36,155)	(35,146)
Foreign exchange loss	412	(51)
Padel league fees	(135,230)	-
	(482,281)	(252,814)
Other (expenses) income, net		
Interest expense	-	(14,415)
Finance expense – loan receivable accretion	136,818	-
	136,818	(14,415)
Loss	(345,463)	(267,229)
Other comprehensive loss	(1,264)	-
Net loss and total comprehensive loss	(346,727)	(267,229)
Income (loss) per share		
Basic and diluted	\$ (0.00)	\$ (0.00)
Weighted average shares outstanding		
Basic and diluted	356,116,067	192,969,328

Three months ended January 31, 2024 compared to January 31, 2023

Revenue is \$nil for the three months ended January 31, 2024 and 2023, as the Company has not generated revenue from the Miami Padel team in the current period. The Company had a loss of \$345,463 for the three months ended January 31, 2024 compared to a loss of \$267,229 in the three months ended January 31 2023. The increase in loss is the result of the Company beginning operations with operating the recently purchased Miami Padel team with the 2024 season set to begin in April 2024 and the related expenses associated with the team which were not present in the comparative period netted by a receivable accretion expense of \$136,818 incurred in the current period. The basic and diluted loss per share of \$(0.00) is consistent with the comparative period.

	January 31, 2024	October 31, 2023
Cash and cash equivalents	\$ 8,899	\$ 5,444
Total assets	8,959,139	9,102,298
Non-current financial liabilities	-	-
Cash dividends declared	\$ 0.00	\$ 0.00

Cash and cash equivalents were \$8,899 as at January 31, 2024 which is higher than October 31, 2023 and is the result of proceeds received on repayment of related party loan net of payments made. Total assets of \$8,859,139 as at January

31, 2024 is lower than the total assets of \$9,102,298 as at October 31, 2023 due to the Company netting the related party payable against the related party receivable. There were no cash dividends declared as at January 31, 2024 and October 31, 2023.

Summary of Quarterly Results

<i>(tabled amounts are expressed in thousands of CAD dollars)</i>	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Revenue	\$ -	\$ 174,787	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expenses	(482,281)	(589,287)	(244,440)	(291,146)	(252,814)	(327,395)	(303,787)	(255,763)
Other income (expense)	136,818	(3,187,351)	(1,670,469)	(9,975)	(14,415)	(2,122,048)	(17,909)	(742,138)
Net loss	(345,463)	(3,601,851)	(1,914,909)	(301,121)	(267,229)	(4,704,371)	(321,696)	(997,901)
Total comprehensive gain (loss)	(346,727)	(3,600,529)	(1,914,909)	(301,121)	(267,229)	(4,704,371)	(321,696)	(997,901)
Basic/Diluted loss per share	(0.01)	(0.02)	(0.01)	(0.00)	(0.00)	(0.03)	(0.01)	(0.01)
Total assets	\$ 8,959,139	\$ 9,102,298	\$ 7,951,152	\$ 9,764,428	\$ 9,749,143	\$ 9,756,784	\$ 14,170,599	\$ 14,195,666

Three months ended January 31, 2024 compared to all historic quarters

The Company had nil revenue in the current period as the 2024 Padel season is set to being in April 2024 and revenue is not expected to be disbursed until Q4 2024.

The Company incurred a net loss \$345,463 in the current quarter which is lower than Q4 and Q3 2023, Q4 and Q2 2022 and in line with the remaining quarters. Q4 2023 and Q3 2023 had large one-time expenses including the Solargram impairment and loss on settlement of JV option which were not repeated in the current quarter. The increase in loss in the current period over normalized net income is the result of higher consulting fees and Padel league fees related to the recently purchased Miami Padel team.

Change in total assets

Total assets were \$8,959,139 in the current period which is lower than all comparative quarters except Q3 2023 as the Company has provided for the Solargram receivable in 2021 and then further impaired the Company's Mexico assets in Q4 2022 and in Q3 2023 recorded a loss on settlement of joint venture option where the Company's Sage Ranch asset was recorded as a loan receivable at a lower discounted amount and in Q4 2023 recorded an impairment on Solargram Farms netted by increase from acquisition of the Miami Padel Club.

LIQUIDITY AND CAPITAL RESOURCES

<i>(tabled amounts are expressed in CAD dollars)</i>	Three months ended January 31, 2024	Three months ended January 31, 2024
Cash inflow (outflows) from operating activities	\$ (39,619)	\$ (153,405)
Cash inflow (outflows) from financing activities	43,074	146,598
Net cash flows	3,455	(6,807)
Cash balance	\$ 8,899	\$ 8,779

As at January 31, 2024, the Company's net working capital deficit was \$2,069,247 (October 31, 2023 – working capital of \$1,820,480).

Cash outflows from operating activities of \$39,619 were lower than the outflows in the comparative period in 2023 due to change in working capital items net of corporate expenses.

Cash inflows from financing activities of \$43,074 were lower than the inflows in the comparative period in 2023. In the current period, the Company received repayment of a portion of the related party loan receivable.

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 January 31, 2024, 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 January 31, 2024 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 January 31, 2024 and the date of this report, the Company had 356,116,067 common shares, 12,000,000 share purchase options and 109,000,000 share purchase warrants outstanding.

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
20,000,000	\$0.05	December 23, 2027
90,000,000	\$0.05	August 31, 2028
Total:	109,000,000	

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
2,000,000	\$0.30	December 18, 2024
10,000,000	\$0.04	July 13, 2025
Total:	12,000,000	

REGULATORY DISCLOSURES

Off-Balance Sheet Arrangements

As at January 31, 2024, 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 January 31, 2024, the Company had amounts payable of \$1,563,795 (October 31, 2023 - \$1,217,900) to related parties. These amounts are unsecured and non-interest bearing.

During the period ended January 31, 2024 the Company incurred an expense of \$33,000 relating to consulting expenses (January 31, 2023 - \$27,000) to a company controlled by an executive of the Company.

During the period ended January 31, 2024, the Company incurred an expense of \$220,966 related to consulting expenses (January 31, 2023 - \$168,527) to an executive of the Company.

During the period ended January 31, 2024 the Company incurred an expense of \$33,545 related to consulting expenses (January 31, 2022 - \$nil) to a company controlled by a director of the Company.

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 and amended on August 21, 2023, the Company and Greenbriar agreed to terminate and settle the Option and Joint Venture Agreement where 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.

On April 20, 2022, the Company entered into a promissory note with Greenbriar where the loan would bear interest at the rate of 8% per annum for a term of 24 months. During the period ended January 31, 2024, the Company netted the payable of \$191,704 against the JV settlement payable.

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

	January 31, 2024		October 31, 2023	
	Carrying value \$	Fair value \$	Carrying value \$	Fair value \$
Financial assets				
<i>Amortized cost</i>				
Cash	8,899	8,899	5,444	5,444
Loan receivable	3,814,160	3,814,160	3,912,120	3,912,120
Financial liabilities				
<i>Other financial liabilities</i>				
Accounts payable and accrued liabilities	2,292,523	2,292,523	1,897,251	1,897,251
Loans payable	-	-	191,704	191,704

Fair value

Financial instruments measured at fair value are grouped into Level 1 to 3 based on the degree to which fair value is observable:

- Level 1 – quoted prices in active markets for identical securities
- Level 2 – significant observable inputs other than quoted prices included in Level 1
- Level 3 – significant unobservable inputs

The Company did not move any instruments between levels of the fair value hierarchy during the period ended January 31, 2024.

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 consolidated financial statements for the year ended October 31, 2023 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.