

**EARLY WARNING REPORT FILED PURSUANT TO
NATIONAL INSTRUMENT 62-103**

RE: CAPTIVA VERDE INDUSTRIES LTD.

1. Name and address of the offeror:

This report is being filed on behalf of: Cross River Partners, L.P. (“**Cross River**”) and Cross River Management, LLC (the “**Manager**” and, collectively with Cross River, the “**Offeror**”).

The business addresses of Cross River and the Manager are as follows:

c/o Cross River Partners, L.P.
31 Bailey Ave., Suite 4
Ridgefield, CT
06877

2. Designation and number or principal amount of securities and the offeror’s securityholding percentage in the class of securities of which the offeror acquired ownership or control in the transaction or occurrence giving rise to the obligation to file the news release, and whether it was ownership or control that was acquired in those circumstances:

On August 10, 2015, the Offeror acquired an aggregate of 5,200,000 Units at a price of Cdn.\$0.25 per Unit. Each Unit consists of one common share (“**Common Share**”) of Captiva Verde Industries Ltd. (the “**Company**”) plus one half of one Common Share purchase warrant (“**Warrant**”). Each whole Warrant entitles the holder thereof to acquire one Common Share at a price of Cdn.\$0.30 for a period of 12 months following the issue date of the Warrants.

3. Designation and number or principal amount of securities and the Offeror’s security holding percentage in the class of securities immediately after the transaction or occurrence giving rise to the obligation to file the news release:

As a result of the Offeror’s purchase of the Units, Cross River is deemed to beneficially own 7,800,000 Common Shares, which includes the 5,200,000 Common Shares that it purchased in the Offering and the 2,600,000 Common Shares issuable pursuant to the 2,600,000 Warrants the Offeror purchased in the Offering, and the Manager has direction and control over the Units held by Cross River (the “**Offeror’s Deemed Ownership**”).

The Offeror’s Deemed Ownership represents approximately 18.89% of the 41,299,975 Common Shares deemed to be outstanding when including the Offeror’s rights to acquire Common Shares but without giving effect to the exercise of any other person’s rights to acquire Common Shares (that is, 41,299,975 Common Shares, representing the 38,699,975 Common Shares currently outstanding plus the 2,600,000 Common Shares Cross River is entitled to acquire pursuant to the 2,600,000 Warrants held by Cross River).

4. **Designation and number or principal amount of securities and the percentage of outstanding securities of the class of securities referred to in paragraph #3 over which**

(a) the Offeror, either alone or together with any joint actors, has ownership and control:

Cross River has beneficial ownership of 7,800,000 Common Shares.

(b) the Offeror, either alone or together with any joint actors, has ownership but control is held by other persons or companies other than the offeror or any joint actor:

None.

(c) the Offeror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership:

The Manager has direction and control over the Common Shares referred to in (a) above.

5. **Name of the market where the transaction or occurrence that gave rise to the news release took place:**

Not applicable.

6. **The value, in Canadian dollars, of any consideration offered per security if the offeror acquired ownership of a security in the transaction or occurrence giving rise to the obligation to file a news release;**

Not applicable.

7. **Purpose of the Offeror and any joint actors in effecting the transaction or occurrence that gave rise to the news release, including any future intention to acquire ownership of, or control over, additional securities of the reporting issuer:**

The acquisition by the Offeror was made in the ordinary course of investment activities. The Offeror has no current plan or proposal which relates to, or would result in acquiring additional ownership or control over the securities of the Company. The Offeror may or may not purchase or sell securities of the Company in the future on the open market or in private transactions, depending on market conditions and other factors material to the Offeror's investment decision.

8. **The general nature and the material terms of any agreement, other than lending arrangements, with respect to securities of the reporting issuer entered into by the Offeror, or any joint actor, and the issuer of the securities or any other entity in connection with the transaction or occurrence giving rise to the news release, including agreements with respect to the acquisition, holding, disposition or voting of any of the securities:**

None.

9. Names of any joint actors in connection with the disclosure in this news release and report of acquisition:

Not applicable.

10. The nature and value of the consideration paid by the Offeror:

See Item 2 above.

11. Description of any change in any material fact set out in a previous report filed in connection with the subject securities:

Not applicable.

12. Description of the exemption from securities legislation being relied on by the offeror and the facts supporting that reliance:

Not applicable.

For further information, please contact:

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06877
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