CAPTIVA VERDE INDUSTRIES LTD.

(formerly Arrowhead Water Products Ltd.)

Management's Discussion and Analysis

For the three and nine months ended September 30, 2015

and the three and nine months ended June 30, 2014

Form 51 102F1

CAPTIVA VERDE INDUSTRIES LTD.
MANAGEMENT'S DISCUSSION & ANALYSIS ("MD&A")
Form 51-102F1
For the three and nine months ended September 30, 2015
and the three and nine months ended June 30, 2014

November 27, 2015

1. Overview

The following management discussion and analysis ("MD&A") of the financial position and results of operations of Captiva Verde Industries Ltd. ("Captiva Verde" or the "Company") has been prepared by management and reviewed and approved by the Board of Directors of Captiva (the "Board") on November 27, 2015. The discussion and analysis is a review of the unaudited condensed consolidated interim financial statements of the Company for the three and nine months ended September 30, 2015. The statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS"). The Company transitioned to IFRS on October 1, 2011 (the "Transition Date"), which required, for comparative purposes, the restatement of amounts reported on the Company's opening IFRS statement of financial position as at October 1, 2010 and amounts reported by the Corporation for the year ended in 2011. All financial information preceding October 1, 2010 has been prepared in accordance with Canadian Generally Acceptable Accounting Principles ("GAAP"). All required IFRS to GAAP reconciliations for the adoption of IFRS has been provided in the audited annual financial statements dated September 30, 2012. The September 30, 2015 unaudited condensed consolidated interim financial statements and MD&A are reported in Canadian dollars unless otherwise stated.

The unaudited condensed consolidated interim financial statements of the Company for the three and nine months ended September 30, 2015, and three and nine months ended June 30, 2014, include the accounts of the Company and its wholly-owned subsidiaries, 1353062 Alberta Ltd. and Captiva Verde Farming Corp. (collectively, "Captiva" or the "Company"). The unaudited condensed consolidated interim financial statements of the Company were authorized for issue by the Board on November 27, 2015. The address of the Corporation's registered office is Royal Centre, 1055 W. Georgia Street, Suite 1500, PO Box 11117, Vancouver, BC, V6E 4N7.

The discontinued operations (formerly Arrowhead Products Ltd), along with its subsidiary has been shown in Note 6 of the unaudited condensed consolidated interim financial statements of the Company for the three and nine months ended September 30, 2015 and the three and nine months ended June 30, 2014 and also here in the MD&A in Note 6 below.

The focus of the MD&A is primarily a comparison of the financial performance for the three months ended September 30, 2015, and the three months ended June 30, 2014, and should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements and accompanying notes prepared under IFRS for the three and nine months ended September 30, 2015 and the three and nine months ended June 30, 2014, and should be read in conjunction with the Company's audited consolidated financial statements and accompanying notes prepared under IFRS for the fifteen month period ended December 31, 2014. The Company's management is responsible for the information disclosed in this MD&A and the accompanying unaudited condensed consolidated interim financial statements and has in place appropriate information systems, procedures and controls to ensure that information used internally by management and disclosed externally is materially complete and reliable. In addition, the Company's Audit Committee, on behalf of the Board, provides an oversight role with respect to all public financial disclosures made by the Company.

The Company's management is responsible for the information disclosed in this MD&A and the accompanying unaudited condensed consolidated interim financial statements and has in place appropriate information systems, procedures and controls to ensure that information used internally by management and disclosed externally is materially complete and reliable. In addition, the Company's Audit Committee, on behalf of the Board, provides an oversight role with respect to all public financial disclosures made by the Company. The MD&A has been prepared as of November 27, 2015. The reader should be aware that historical results are not necessarily indicative of future performance. Additional information regarding the Company is available on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com. This MD&A incorporates information up to and including November 27, 2015. The reporting and measurement currency is the Canadian dollar.

2. Advisory Regarding Forward-Looking Statements and Information

Certain statements included or incorporated by reference in the MD&A constitute forward-looking statements or forward-looking information under applicable securities legislation. Forward-looking statements are based on the estimates and opinions of Captiva's management at the time the statements were made. The reader is cautioned that assumptions used in the preparation of such information may prove to be incorrect. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "plan", "should", "believe" and similar expressions are intended to identify forward-looking statements and forward-looking information including, but not limited to, statements as to: future capital expenditures, including the amount and nature thereof; business strategy; and expansion and growth of the Company's business and operations. These statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements or information. The Company believes that the expectations reflected in those forward-looking statements and forward-looking information are reasonable but no assurance can be given that these expectations, or the assumptions underlying these expectations, will prove to be correct and such forward-looking statements and forward-looking information included in this MD&A should not be unduly relied upon. Such forward-looking statements and forward-looking information speak only as of the date of this MD&A and the Company does not undertake any obligation to publicly update or revise forward-looking statements or forward-looking information, except as required by applicable laws. Any forward-looking statements or forward-looking information previously made may be inaccurate now. All subsequent forward-looking statements and forward-looking information, whether written or oral, attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements.

3. Corporate Developments

Operations

The Company began planting in Arizona on August 31, 2015 and had its first harvest and sale on September 26, 2015. By November 21, the Company had harvested approximately 201 acres and another 170 acres were plowed as cover crop to enrich the soil for future crops. The remaining acres will be harvested or plowed as cover crops by early January 2016. Planting will begin again in March 2016 for the spring season.*

The Company began planting in Imperial Valley on October 18, 2015 and had its first harvest and sale on November 20, 2015. Planting and the harvesting of the first crop will continue at a rate of approximately 90 acres a week and then ramping up to 100 acres per week in the first week of 2016. A second crop will begin shortly after.*

Change in Board of Directors

On October 28, 2015, Captiva Verde appointed Allan Silber and Morris Perlis to the Board. Mr. Perlis has considerable experience in public and private companies and was appointed Chairman of the Board, replacing Jeff Ciachurski, who remains as the CEO. Ian Kennedy stepped down from the Board after many years of dedicated service to the Company. Mr. Silber is the Chairman of the Board of Street Capital Group Inc. and Street Capital Financial Corporation. Mr. Silber recently served as the Chairman and CEO of Counsel Corporation, which he founded in 1979. Mr. Silber played a critical and decisive role in the areas of mergers and acquisitions, finance and capital market activities for Counsel Corporation. Mr. Silber is actively involved in a number of cultural, charitable and community-based organizations, including participation at the board level, and has been Chairman of numerous fundraising events for community-based international organizations. His philanthropic endeavours include a focus on the homeless through the United Appeal. Mr. Silber is a Life Governor of The Jewish National Fund and in 1998 was recognized as an Honouree in recognition of community leadership and dedicated public service. Mr. Perlis previously served as President of Counsel Corporation from 1992 until 2001, a period of tremendous success that included guiding the Company's health care strategy, resulting in the superior growth of three investee companies; American HomePatient, PharMerica and Stadtlander Drug. In addition to his past experience at Counsel Corporation, Mr. Perlis brings a wealth of expertise gained in senior strategic and management roles with other leading organizations. He spent 13 years with American Express Inc., including five years as President of American Express Canada. During that time he obtained approval for, and

*This paragraph contains forward looking information. Please refer to "Advisory Regarding Forward Looking Statements and Information" and "Risk Management" for a discussion of the risks and uncertainties related to such information

directed the launch of, the AMEX Bank of Canada, for which he also served as CEO. Among his other responsibilities with American Express, Mr. Perlis served as Executive Vice President, responsible for the company's US personal card division, and was a key member of numerous senior level US executive committees, including the Chairman's Policy and Planning Committee.

Options Granted

On October 26, 2015, the Company granted 1.95 million incentive stock options (the "Options") at $0.56. On August 16, 2015, the Company granted 750,000 Options at a price of $0.38 per share. Options vested upon grant, and entitle the holder to purchase one common share of the Company for a period up to five years after the grant date. The Options and any common shares issued upon exercise will be subject to a four-month resale restriction from the date of grant.

Change in Financial Year-end

The Board of Directors approved a change of year end from September 30 to December 31 and on September 5, 2014 the Company filed a Notice of Change in Year-End in accordance with Section 4.8 of National Instrument 51-102 changing its financial year-end from September 30, to December 31. This change in year-end allows the Company to be synchronous with the financial year-end of its peers in the industry in which the Company operates. Accordingly, this MD&A reflects the financial results for the three and nine months ended September 30, 2015, and the three and nine months ended June 30, 2014, which was the first three quarters in the fifteen months ended December 31, 2014. Due to the difference in the months covered by these periods, not all financial information may be meaningfully comparables.*

Organic Certification

On July 13th, 2015 the Company received full organic certification under the USDA National Organic Program ("NOP"). This organic certification allows Captiva to use the highly coveted USDA organic label in the US as well as in the following jurisdictions around the world: Canada, Japan-US MAFF Agreement, USDA/COA Taiwan Export Arrangement, European - NOP equivalence. The certification covers the following crops: Spinach, Romaine, Leaf Lettuce, Kale (red and green) Head Lettuce, Cauliflower, Cabbage, Broccoli, and Spring Mix (Chard, Green Oak, Lolla Rosa, Mizuna, Tango, and Wild Arugula). The certification covers the Company's main Arizona project of 675.3 acres.

On November 15th, 2015 the Company also received full organic certification under NOP for the Company's Imperial Valley farm of 902 acres covering the same crops and jurisdictions. These NOP certifications are very major and significant milestones that cap an intense 9-month process involving long hours from senior management, outside consultants and numerous inspections and field visits.

Additional Capital

During the month of September 2015, the Company completed an aggregate of non-broker Private Placements with gross proceeds of $1,912,250. These closings consisted of 7,284,762 units (the "Units") at a price of $0.2625 per Unit. Each Unit consists of one common share in the capital of the Company (a "Share") and one half common share purchase warrant (a "Warrant"). Each Warrant entitles the holder to purchase one Share at a price of $0.35 per Share for a period of one (1) year from the closing of the Private Placements. In connection with these Private Placements, the Company paid cash commissions in the amount of $107,225, being 10% of the aggregate proceeds raised from the sale of Units to purchasers introduced by eligible finders. The Company also issued non-transferable warrants (the "Finder's Warrants") to acquire a total of 1,329,739 Shares, being 6% of the number of Units sold under these Private Placements to purchasers introduced by eligible finders. Each Finder's Warrant entitles the holder to purchase one Share at a price of $0.35 per Share for a period of five (5) years. Additional legal costs of $16,700 were incurred for these Private Placements.

During the period from February 2015, to August 2015, the Company completed an aggregate of non-broker Private Placements with gross proceeds of $4,454,770. These closings consisted of 17,819,080 units (the "Units") at a price of $0.25 per Unit. Each Unit consists of one common share in the capital of the Company (a "Share") and one half common share purchase warrant (a "Warrant"). Each Warrant entitles the holder to purchase one Share at a price of $0.30 per Share for one (1) year from the closing of the Private Placement. In connection with these Private Placements, the Company paid cash commissions in the amount of $301,587 being 10% of the aggregate proceeds raised from the sale of Units to purchasers introduced by eligible finders. The

Company also issued non-transferable warrants (the “Finder’s Warrants”) to acquire a total of 719,340 Shares, being 6% of the number of Units sold under these Private Placements to purchasers introduced by eligible finders. Each Finder’s Warrant entitles the holder to purchase one Share at a price of $0.30 per Share for a period of five (5) years. Additional legal costs of $80,493 were incurred with these Private Placements.

On November 5, 2015, the Company closed the non-brokered private placement of units of the Company (the “Units”) at $0.40 per Unit (the “Offering”) for net proceeds of $2,000,000. The closing consisted of 5,000,000 Units. Each Unit consisted of one common share in the capital of the Company (each a “Share”) plus one-half of one common share purchase warrant (a “Warrant”). Each whole Warrant entitles the holder to purchase one additional Share at a price of $0.50 per Share until November 5, 2016.

During the period from November 5, 2015 to November 27, 2015, the Company obtained signed Subscription Agreements for the issuance of 3,023,000 Units (the “Units”) at $0.408 per Unit for gross proceeds of $1,233,384. Each Unit consists of one common share in the capital of the Company (a "Share") and one half of one common share purchase warrant (a "Warrant"). Each whole Warrant entitles the holder to purchase one additional common Share at a price of $0.50 per Share within one (1) year of the shares being issued.

4. Company Marketing and Production

As at November 27, 2015, the Company, through Verde, its US subsidiary executed direct leases for a total of 3,671 acres of land for organic farming. The Company’s first crop was planted in early August, 2015 in Wenden, Arizona and the first crops for the Imperial Valley farms were planted in October 2015. Harvesting and sales for the farm in Wenden, Arizona began in September 2015 and the first harvest and sales in Imperial Valley were on November 20, 2015.

Captiva plans to acquire additional farm leases and add to the value chain by providing the US and Canadian markets with much needed, organically grown leaf vegetables. Organic green leaf vegetable production cannot meet current consumer demand. The Company’s strategic farm plan is to have various locations in the southwest United States, each having between two (2) and four (4) crops per calendar year.*

The first published financial results for the first full period of commercial sales will be reported in the Company’s audited 4th quarter financial statements for the period ending December 31, 2015.

5. Overall Performance

Highlights below are the results of the continuing operations for the three months ended September 30, 2015 compared to the three months ended June 30, 2014.

- Revenue from the sale of organic produce was $93,186 compared to Nil.
- Gross profit was $547 compared to Nil.
- Total general and administrative expenses increased by 175% to $418,328 from $152,359.
- Total development costs were $nil compared to a gain of $225,459 for the same period last year.
- The operating loss was $940,708 compared to a gain of $13,535.
- Net loss from continuing operations was $933,073 compared to a gain of $27,031.
- Net loss and total comprehensive loss of $831,897 compared to a net gain of $48,653.

Highlights below are the results of the continuing operations for the nine months ended September 30, 2015 compared to the six months ended June 30, 2014.

- Revenue from the sale of organic produce was $93,186 compared to Nil.
- Gross profit was $547 compared to Nil.
- Total general and administrative expenses increased by 151% to $765,694 from $305,078.
- Total development costs were $141,765 compared to $44,464 for the same period last year.
- The operating loss was $1,540,588 compared to $979,916.
- Net loss from continuing operations was $1,517,570 compared to a loss of $966,420.
- Net loss and total comprehensive loss of $1,547,128 compared to a net loss of $945,866.

*This paragraph contains forward looking information. Please refer to "Advisory Regarding Forward Looking Statements and Information" and "Risk Management" for a discussion of the risks and uncertainties related to such information

Balance Sheet highlights as at September 30, 2015 compared to December 31, 2014:

- Cash and cash equivalents increased to $122,062 from $13,803.
- Working capital ratio increased to 1.45 to 1 from 0.58 to 1.
- Total assets increased 768% to $9,795,005 from $1,128,295.
- Shareholders' equity increased 945% to $5,030,128 from $481,521

6. Discontinued Operations

On September 4, 2012, the Company entered into a Letter of Intent ("LOI") and a Right of First Refusal Agreement with a private third party purchaser (the "Purchaser") to sell all of its 15-liter water bottling equipment along with its customer retail base (the "Assets"). At the date of the sale, the Assets had a net book value of $545,995. The sale of the Assets was completed on February 28, 2013 for total cash proceeds of $1,650,000 resulting in a gain on disposition of $1,104,005. As part of the LOI, the Purchaser agreed to pay the Company royalties based on the number of 15-litre bottles sold in each month up to January, 2014. The royalties associated with the sale were terminated as at December 31, 2013 and have been paid in full.

As a result of the sale, historical financial information for the 15-litre water business has been reclassified as discontinued operations on the audited consolidated statements of income (loss) and comprehensive income (loss) and the audited consolidated statement of cashflows. Assets relating to discontinued operations as at September 30, 2013 were as follows:

Accounts receivable	$547,461
Accounts payable and accrued liabilities	$188,098

During fiscal 2014, the accounts receivable was collected and all of the accounts payable and accrued liabilities have been settled.

Selected financial information for the business included in discontinued operations is reported below:

	For the 3 months ended September 30, 2015	For the 3 months ended June 30, 2014	For the 9 months ended September 30, 2015	For the 9 months ended June 30, 2014
Revenue	$ -	$ -	$ -	$ 8,047
Cost of sales	-	-	-	-
Gross profit	-	-	-	8,047
Expenses				
General and administrative	-	-	-	9,115
	-	-	-	(1,068)
Other Income	-	21,622	-	21,622
Income and comprehensive income from discontinued operations for the period	**$ -**	**$ 21,622**	**$ -**	**$ 20,554**
Earnings per Share-basic and diluted	0.00	0.00	0.00	0.00

Cash Flow from Discontinued operations

	For the 3 months ended September 30, 2015	For the 3 months ended June 30, 2014	For the 9 months ended September 30, 2015	For the 9 months ended June 30, 2014
Cash provided by (used for):				
OPERATING ACTIVITIES				
Net Income	$ -	$ 21,622	$ -	$ 20,554
	-	21,622	-	20,554
Changes in working capital	-	511,778	-	521,474
Discontinued operations relating to operating	**-**	**533,400**	**-**	**542,028**
INVESTING ACTIVITIES				
Discontinued operations relating to investing	**-**	**-**	**-**	**-**
FINANCING ACTIVITIES				
Discontinued operations relating to financing	**-**	**-**	**-**	**-**
DECREASE IN CASH	**$ -**	**$ 533,400**	**$ -**	**$ 542,028**

7. Selected Financial Information

The following tables contain selected financial information for the continuing operations of the Company.

Consolidated Statement of Financial Position

As at	**September 30, 2015**	**December 30, 2015**
(in Canadian $)	**unaudited**	**audited**
Assets		
Current assets	**$ 6,563,349**	$ 376,977
Long term assets	**3,231,656**	751,318
	9,795,005	**1,128,295**
Liabilities & Equity		
Current liabilities	**4,517,875**	647,188
Long-term liabilities	**247,002**	-
Equity	**5,030,128**	481,107
	$ 9,795,005	**$ 1,128,295**

	Q3 2015	Q2 2015	Q1 2015	Q5 2014	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013
Operations									
Revenue	93,166								
Income (loss) from operations	(940,708)	(554,707)	(37,538)	(1,029,395)	(634,474)	13,535	(675,463)	(317,988)	(21,861)
Basic loss per share	(0.03)	(0.02)	(0.00)	(0.05)	(0.03)	0.00	(0.03)	(0.02)	0.00
Net Income (loss) and comprehensive income (loss)	(933,073)	(554,707)	(29,790)	(1,063,727)	(626,839)	27,031	(675,463)	(317,988)	(21,861)
Basic per share	(0.03)	(0.02)	(0.00)	(0.05)	(0.03)	0.00	(0.03)	(0.02)	0.00
Basic number of shares outstanding	34,256,053	22,777.006	21,253,662	20,880,895	19,566,746	19,705,870	19,492,229	18,187,881	14,492,229
Discontinued Operations									
Revenue	-	-	-	-	-	-	-	$8,047	$10,164
Income (loss) from operations	-	-	-	-	15,000	21,622	-	(5,359)	22,816
Basic loss per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Income (loss) and comprehensive income (loss)	-	-	-	-	15,000	21,622	-	(5,359)	22,816
Bassic per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Basic number of shares outstanding	34,256,053	22,777,006	21,253,662	20,880,895	19,566,74	19,705,870	19,492,229	18,187,881	14,492,229

		For the 3 months ended September 30, 2015		For the 3 months ended June 30, 2014		For the 9 months ended September 30, 2015		For the 9 months ended June 30, 2014
Revenue								
Sales	$	**93,186**	$	-	$	**93,186**	$	-
Cost of sales		**92,639**		-		**92,639**		-
Gross Profit		**547**		-		**547**		-
Expenses								
General and administrative	$	**418,328**	$	152,359	$	**765,694**	$	305,078
Development costs		**-**		(225,459)		**141,765**		44,464
Marketing costs		**62,465**		20,000		**136,041**		20,000
Other operating costs		**129,406**		8,162		**215,325**		13,162
Foreign exchange (gain)/loss		**-**		31,403		**(166,682)**		30,642
Share-based compensation (Note 14e)		**183,045**		-		**183,045**		566,570
Interest		**3,847**		-		**3,847**		-
Other financing costs		**128,297**				**128,297**		
Amortization		**15,867**		-		**15,867**		-
Loss on settlement of dispute (Note 15b)		**-**		-		**117,936**		-

	941,255	(13,535)	**1,541,135**	979,916
Operating income (loss)	**(940,708)**	13,535	**(1,540,588)**	(979,916)
Other items	**7,635**	13,496	**20,018**	13,496 -
Income (loss) from continuing operations	**(933,073)**	27,031	**(1,517,570)**	(966,420)
Income (loss) from discontinued operations (Note 6)	**-**	21,622	**-**	20,554
Income (loss) for the period	**(933,073)**	48,653	**(1,517,570)**	(945,866)
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation	**101,176**	-	**(29,558)**	-
Net income (loss) and total comprehensive income (loss) for the period	**$ (831,897)**	$ 48,653	**$ (1,547,128)**	$ (945,866)
(Loss) Earnings per Share-basic and diluted (note 14d)	**(0.03)**	0.00	**(0.06)**	(0.05)

8. Revenues

	Three Months Ended September 30		Nine Months Ended June 30	
	2015	2014	2015	2014
Net sales for the period (US$)	$71,182	-	$71,182	-
Average Exchange Rate	1.3091	-	1.3091	-
Net sales for the period (C$)	$93,186	-	$93,186	-

The Company achieved its first harvest of organic vegetables in Arizona on September 26, 2015, a few days earlier than its plan of early October. Since this first harvest was at the end of the quarter, net sales were fairly small but very significant as it marked the beginning of the Arizona fall harvesting season. During the three and nine months ended September 30, 2015 net sales were US$71,182 (2014, $Nil).

9. Cost of Sales, Gross Profits and Gross Margins

	Q3 2015	Q2 2015	Q1 2015	Q5 2014	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013
Continuing Operations										
Revenue	93,186	-	-	-	-	-	-	-	-	-
COGS	92,639	-	-	-	-	-	-	-	-	-
Gross Margin	547	-	-	-	-	-	-	-	-	-
Gross Margin %	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Discontinued Operations										
Revenue	-	-	-	-	-	-	-	$8,047	$10,164	$13,054
COGS	-	-	-	-	-	-	-	-	6,940	341
Gross Margin	-	-	-	-	-	-	-	8,047	3,224	12,713
Gross Margin %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.%	31.7%	97.4%

Cost of sales (“COS”) for the three and nine months ended September 30, 2015 were $92,639, and $nil for the three and nine months ended June 30, 2014. The gross margin of approximately 1% was lower due to normal start-up issues than what is expected going forward.

Included in COS are all costs associated with bringing a crop to the customers' processing plants. These costs include all seasonal and monthly land preparation costs like rent, cultipacking, soil analysis, listing, stubble disc, and all growing costs like irrigation, cultivation, fertilization, seed and planting and all harvest and shipping costs.

Expenses that have occurred before harvests and realized revenues are shown in Inventory as work in progress.
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10. General and Administrative Expenses

		For the 3 months ended September 30, 2015		For the 3 months ended June 30, 2014		For the 9 months ended September 30, 2015		For the 9 months ended June 30, 2015
Professional fees	**$**	**170,062**	$	79,843	**$**	**245,038**	$	165,679
Management fees		**165,127**		43,200		**374,099**		73,700
Public Company costs		**7,461**		16,088		**31,103**		26,716
Travel and entertainment		**37,071**		7,271		**62,583**		15,953
Insurance, licence, and business		**-**		2,733		**2,936**		10,394
Telephone		**1,219**		1,219		**9,302**		5,141
Service fees		**5,830**		917		**10,166**		3,933
Miscellaneous		**5,211**		587		**7,701**		1,841
Computer support and maintenance		**767**		453		**1,682**		1,168
Office		**19,440**		48		**13,917**		551
Rent		**6,140**				**6,140**		
	$	**418,328**	**$**	**152,359**	**$**	**765,693**	**$**	**305,078**

For the three months ended September 30, 2015, general and administrative expenses ("G&A") increased by 175% to 418,328 from $152,359 when compared to the three months ended June 30, 2014, and for the nine months ended September 30, 2015 increased by 151% to $765,693 from $305,078 when compared to the nine months ended June 30, 2014. With the Company now fully engaged in the farming industry, and with the creation of the new Company, Captiva Verde Farming, new business and private placements, the Company will experience higher G&A costs in the future.*

During the third quarter, professional fees increased by 113% or $90,2018 when compared to the third quarter ending June 30, 2014 due to added professional consulting of $135,600. For the nine month period ending September 30, 2015, professional fees increased by 48% compared to the nine month ending June 30, 2014 as shown as follows:

		For the 3 months ended June 30, 2015		For the 3 months ended June 30, 2014		For the 9 months ended September 30, 2015		For the 9 months ended June 30, 2015
Legal	**$**	**22,462**	$	67,843	**$**	**73,438**	$	129,680
Audit		**12,000**		12,000		**36,000**		36,000
Other		**135,600**		-		**135,600**		-
	$	**170,062**	$	79,843	**$**	**245,038**	$	165,680

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With the company hiring a new CEO, CFO and Farm Controller, and incurring other personnel costs, management fees increased $121,927 to $165,127 during the three months ended September 30, 2015 when compared to the three months ended June 30, 2014 and increased by $300,399 to $374,099 during the nine months ended September 30, 2015 when compared to the nine months ended June 30, 2014.

The public company costs decreased by 54%% to $7,461 during the three months ended September 30, 2015 when compared to the three months ended June 30, 2014. When comparing the nine months ending September 30, 2015, public company costs increased 16% to $31,103 primarily due to a one-time fee to move from the TSX Venture Exchange to the Canadian Securities Exchange (CNSX) which was effective June 2, 2015, when compared to the nine months ending June 30, 2014.

There was a significant increase in activity in the Company during the three and nine months ended September 30, 2015, when compared to the three and nine months ended June 30, 2014 due to new planting and harvesting. During the current quarter, the Company entered into a two year lease for 2,350 square feet of office space in La Quinta, California for its farming operations. An initial deposit of approximately $32,000 (US$24,800) was made on August 14, 2015. With the office, the Company has picked up additional costs in Telephone and other Office costs when compared to the nine months ended June 30, 2014.

During the three and nine months ending September 30, 2015, the Company experienced higher travel costs when compared to the three and nine months ended June 30, 2014 as many trips were made to the farms to show potential investors the progress being made.

11. Development Costs

For the three and nine months ended September 30, 2015, the Company recorded $nil (2014 - gain of $225,459) and $141,765 (2014-$44,464), respectively. During the first two quarters of the year, the Chief Operating Officer was actively pursuing land leases and the future purchase of farm equipment and supplies needed to generate future revenue for the Company. His attention turned to planting and harvesting in Q3 so his development time was minimal. During the three and nine months ended June 30, 2014, the company was engaged in reviewing all types of businesses and development costs for the six months ended March 31, 2014, were $269,923 which were recorded as exploration costs. These costs were subsequently picked up by Green Matters and reversed for the three months ended June 30, 2014. For more information, see Note 9 of the unaudited condensed interim financial statements ended September 30, 2015.

12. Marketing Costs

For the three months ended September 30, 2015, the Company recorded $62,465 in marketing costs, compared to $20,000 for the three months ended June 30, 2014, and for the nine months ended September 30, 2015 recorded $136,041 compared to $20,000 for the nine months ended June 30, 2014. These costs have increased year over year primarily related to consulting fees incurred to nurture strong relationships with organic produce processors who are now the primary customers of the Company.

13. Other Operating Costs

Other operating costs include rent obligations on land leases that are not expected to be under production until future periods. These expenses for the three and nine months ended September 30, 2015 were $129,406 and $215,325, respectively and $8,162 and $13,162 for the three and nine months ended June 30, 2014, respectively.

14. Foreign Exchange

With the Company being engaged in farming in southwest US, the Company will experience foreign exchange fluctuations which affect the Company's financial results. During the three months ended September 30, 2015, the Company recorded $nil and recorded a loss of $31,304 when compared to the three months ended June 30, 2014, whereas during the nine month period ended September 30, 2015, the Company gained $166,680 due to foreign exchange, when compared to a loss of $30,642 for the nine month period ended June 30, 2014. The September 30, 2015 unaudited condensed consolidated interim financial statements and MD&A are reported in Canadian dollars unless otherwise stated.*

*This paragraph contains forward looking information. Please refer to "Advisory Regarding Forward Looking Statements and Information" and "Risk Management" for a discussion of the risks and uncertainties related to such information

15. Share-based Compensation

The Company recognizes compensation expense when stock options are granted under the fair value method. The fair value of stock options is determined using the Black-Scholes option-pricing model. This expense is a non-cash expense, the cumulative effect of which is reflected in contributed surplus on the statement of financial position. The Company has a stock option plan (the "Plan") available to officers, directors, employees and consultants with grants under the Plan approved from time to time by the Board. Under the Plan, the exercise price of each option equals the market price of the Company's stock at the time of issuance. The Plan provides for vesting at the discretion of the Board and expiration of the options to be five years from the date of grant. Each option can be exercised for one Common Share of the Company. On June 16, 2015, the Shareholders of the Company also approved the amended rolling stock option plan of the Company, subject to such modifications as may be required by the CNSX.

During the three months ended September 30, 2015, the Company granted 750,000 (for the three months ended June 30, 2014, nil) options to a consultant of the Company. During the nine months ended September 30, 2015, the Company issued 750,000 (for the nine months ended June 30, 2014, 1,900,000) options to directors and consultants of the Company. On October 26, 2015, the Company granted an additional 1.95 million incentive stock options (the "Options") at $0.56. For further details on the stock-based compensation calculations, refer to note 14(e) of the unaudited condensed consolidated interim financial statements of the Company for the three and nine months ended September 30, 2015.

16. Loss on Settlement of Dispute

The litigation settlement with Bornt was finalized in May 2015 and an additional cost of $117,936 was recorded in the second quarter to account for additional third party legal costs.

17. Operating loss

For the three months ended September 30, 2015, the Company had an operating loss of $940,708 compared to an operating loss of $256,463 for the three months ended June 30, 2014. For the nine months ended September 30, 2015, the Company had an operating loss of $1,540,588 compared to an operating loss of $979,916 for the nine months ended June 30, 2014.

18. Net Loss and Total Comprehensive Loss for the Period

For the three months ended September 30, 2015, the Company had a net loss and total comprehensive loss of $831,897 compared to net gain of $48,653 for the three months ended June 30, 2014. For the nine months ended September 30, 2015, the Company had a net loss and total comprehensive loss of $1,547,128 compared to a loss of $945,866 for the nine months ended June 30, 2014.

For discontinued operations during the three and nine months ended September 30, 2015, the Company had $nil losses compared to gains of $21,622 and $20,554 for the three and nine months ended June 30, 2014, respectively.

For other comprehensive income during the three months ended September 30, 2015, the Company had a foreign exchange translation gain of $101,176 compared to $nil in 2014. For the nine months ended September 30, 2015, the Company had a foreign exchange translation loss of $29,558 compared to $nil for the comparable period in 2014.

19. Working Capital

For the three months ended September 30, 2015, the Company's working capital ratio increased to 1.45 to 1 from 0.58 to 1, as at December 31, 2014. As at September 30, 2015, the Company had cash and cash equivalents of approximately $122,062 whereas at December 31, 2014, the Company had cash and cash equivalents of $13,803.

Management believes with the cash on hand, the collection of trade receivables and the Company's ability to raise capital, that it will have sufficient working capital to meet the Company's current and future cash needs and contractual obligations.*

As at September 30, 2015, the Company is committed to the future land lease and operating payments as follows:

2015	$	2,761,168
2016		4,488,998
2017		3,778,401
2018		3,714,522
2019		3,768,681
2020		3,329,926
2021		1,693,702
Thereafter		-

The Company does not have any further operating lease commitments other than above as of September 30, 2015, and did not have any operating or land lease commitments as of June 30, 2014. During the fifteen month period ended December 31, 2014, the Company entered into operating leases that called for upfront lease payments and are being shown as current and long-term deposits.

20. Financial Instruments

IFRS requires that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the statement of financial position sheet date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

Financial instruments of the Company consist of cash, accounts receivable, long-term note receivable, bank indebtedness, accounts payable and accrued liabilities and convertible debentures.

	Unaudited September 30, 2015		**Audited December 31, 2014**	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Held-for-trading				
Cash	$ 122,062	$ 122,062	$ 13,803	$ 13,803
Loans and receivables				
Accounts receivable	126,433	126,433	36,668	36,668
Subscription receivable	104,001	104,100	-	-
Note receivable	318,905	318,905	318,905	318,905
Liabilities				
Accounts payable and accrued liabilities	4,461,880	4,461,880	647,188	647,188
Convertible debenture	157,680	157,680	-	-
Long term debt	145,317	145,317	-	-

The Company classifies fair value measurements recognized in the balance sheet using a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1: Quoted prices (unadjusted) are available in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Unobservable inputs in which there is little or no market data, which require the Company to develop its own assumptions.

*This paragraph contains forward looking information. Please refer to "Advisory Regarding Forward Looking Statements and Information" and "Risk Management" for a discussion of the risks and uncertainties related to such information.

Fair value measurements are classified in the fair value hierarchy based on the lowest level input that is significant to that fair value measurement. This assessment requires judgment, considering factors specific to an asset or a liability and may affect placement within the fair value hierarchy. Cash is measured using level 1 inputs.

21. Liquidity and Capital Resources

The Company as at September 30, 2015 had cash and cash equivalents of approximately $122,062 whereas at December 31, 2014, the Company had cash and cash equivalents of $13,803.

For the nine month period ended September 30, 2015, the Company has a total comprehensive loss for the period of $1,547,128 and negative cash flows from operating activities of $3,293,412 and a cash balance at September 30, 2015 of $122,062. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to raise additional capital through the issuance of share capital or debt and achieve profitable operations in the future. The management of the Company has developed a strategy to address this uncertainty, including additional equity and/or debt financing; however, there are no assurances that any such financing can be obtained on favorable terms, if at all.

The Company has demonstrated its ability to raise addition capital through the issuance of equity and will be doing so again in the near future. Management believes with the cash on hand, and the ability to raise capital, that it will have sufficient working capital to meet the Company's current and future cash needs and contractual obligations.*

As shown in detail in Section 3 above, the Company has raised over $9.5 million for the current year up to November 27, 2015.

22. Capital Spending

During the three months ended September 30, 2015, the Company invested $2,156,043 in capital assets. During the nine months ended September 30, 2015, the Company invested in $2,710,431 in capital assets, compared to $17,137 for both the three and nine months ended June 30, 2014.

Summary of capital assets as of September 30, 2015 as shown as follows:

	September 30, 2015			December 31, 2015		
	Costs	Accumulated Amortization	Net book value	Costs	Accumulate d Amortization	Net book value
Land Improvements	$ 2,039,480	$ -	$ 2,039,480	$ -	$ -	$ -
Field Equipment	561,939	(13,982)	547,957			
Vehicles	65,767	(2,192)	63,575			
Furniture	22,943		22,943			
Computers	25,308		25,308			
Leasehold Improvements	11,168		11,168			
	$ 2,726,605	**$ (16,174)**	**$ 2,710,431**	**$ -**	**$ -**	**$ -**

*This paragraph contains forward looking information. Please refer to "Advisory Regarding Forward Looking Statements and Information" and "Risk Management" for a discussion of the risks and uncertainties related to such information.

23. Off Balance-Sheet Arrangements

The Company has no off balance-sheet arrangements.

24. Transactions with Related Parties

a. During the three month period ended September 30, 2015, the Company closed a 6% convertible debenture agreement with Chris Thompson, the Chief Financial Officer of the Company in the principal amount of $50,000. The principal and any accrued and unpaid interest under the Debenture are unsecured and convertible on or before July 16, 2017, at the holder's option, into fully paid and non-assessable Units at a conversion price of $0.26 with respect to the principal and any accrued and unpaid interest. Mr. Thompson also participated in the September 2015 private placement of which $104,000 was not received by the Company until the first week of October 2015 so the amount has been recorded as Subscription receivable.

b. During the nine month period ended September 30, 2015, the Company closed a 6% convertible debenture agreement with Michael Boyd, a Director for the Company in the principal amount of $125,000. The principal and any accrued and unpaid interest under the Debenture are unsecured and convertible on or before June 30, 2017, at the holder's option, into fully paid and non-assessable Units at a conversion price of $0.26 with respect to the principal and any accrued and unpaid interest.

c. During the three months ended June 30, 2014, the Company contracted certain land lease expenses to Greenbriar in the amount of US$89,730 and for the nine months ended June 30, 2014 were US$149,730. Jeffrey J. Ciachurski who is the President, Chief Executive Officer ("CEO") and director for the Company is also the CEO and a director for Greenbriar. As at September 30, 2015, $nil (as at June 30, 2014 - US$9,762) is owing.

d. During the three months ended June 30, 2014, the Company contracted certain land lease expenses to Jeffrey J. Ciachurski who is the President, CEO and director for the Company in the amount of US$258,540 and for the nine months ended June 30, 2014 was US$258,540). A further US$266,880 was paid later in 2014 as prepayment of a lease extension for a total lease term of six (6) years. As at September 30, 2015, $nil (as at June 30, 2014, US$43,786) is owing.

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties

25. Outstanding Share Data

As of November 27, 2015, the Company had 51,205,138 Class A Common Shares, 4,600,000 stock options and 16,056,361 Warrants to acquire Class A Common Shares, issued and outstanding.

As at September 30, 2015, the Company had 46,100,637 Class A Common Shares, 2,650,000 stock options and 13,556,361 Warrants to acquire Class A Common Shares, issued and outstanding.

As at December 31, 2014, the Company had 20,880,895 Class A Common Shares, 1,900,000 stock options and 1,692,385 Warrants to acquire Class A Common Shares, issued and outstanding.

26. Recent Accounting Pronouncements

At the date of authorization of these consolidated financial statements, certain new standards, amendments, and interpretations to existing IFRS standards have been published but are not yet effective, and have not been adopted early by the Company. Management anticipates that all of the pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments, and interpretations that are expected to be relevant to the Company's consolidated interim financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company's unaudited condensed consolidated interim financial statements.

In 2010, the IASB issued IFRS 9 Financial Instruments, which addresses the classification and measurement of financial assets. The new standard defines two instead of four measurement categories for financial assets, with

classification to be based partly on the Company's business model and partly on the characteristics of the contractual cash flows from the respective financial asset. An embedded derivative in a structured product will no longer have to be assessed for possible separate accounting treatment unless the host is a non-financial contract. A hybrid contract that includes a financial host must be classified and measured in its entirety. Application of IFRS 9 is mandatory for financial periods beginning on or after January 1, 2013. The new standard is not expected to have a material impact on the presentation of the Company's financial position and results of operations.
On May 28, 2014, the IASB issued International IFRS 15, "Revenue from Contracts with Customers", which is the result of the joint project with the Financial Accounting Standards Board. The new standard replaces the two main recognition standards IAS 18, "Revenue", and IAS 11, "Construction Contracts". The new standard provides a five step model framework as a core principle upon which an entity recognizes revenue and becomes effective January 1, 2017. The Company is currently assessing the potential impact of the adoption of IFRS 15 on the Company's unaudited condensed consolidated interim consolidated financial statements.

27. Disclosure Controls and Procedures

The Company has established disclosure controls and procedures for the timely and accurate preparation of financial and other reports. The Chief Executive Officer and the Chief Financial Officer, after evaluating the effectiveness of the disclosure controls and procedures (as defined in applicable Canadian securities laws) of the Company as of September 30, 2015, have concluded that the Company's disclosure controls and procedures are effective to ensure that all information required to be disclosed by the Company in reports that it files or furnishes under applicable Canadian securities laws is (i) recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Canadian securities regulatory authorities and (ii) accumulated and communicated to the Company's management, including the Chief Executive Officer and the Chief Financial Officer, to allow timely decisions regarding required disclosure. It should be noted that while the Company's Chief Executive Officer and Chief Financial Officer believe that the disclosure controls and procedures will provide a reasonable level of assurance that they are effective, they do not expect that the disclosure controls and procedures will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute assurance that the objectives of the control system are met.*

28. Risk Management

Business Risks: Activity in the farming business is subject to a range of external factors that are difficult to actively manage, including weather, governmental regulations commodity pricing, cost of fuel, operating and labour costs and changes in consumer demands. The Company plans to mitigate these risks by creating a strong balance sheet and remaining responsive to changes in industry dynamics. The Company will have a comprehensive insurance policy to help safeguard its assets, operations and employees. This is reviewed annually and revised as changes in circumstances warrant.*

Credit Risks: The Company's cash is largely held in large Canadian financial institutions. The Company does not have any asset-backed commercial paper. The Company maintains cash deposits with Schedule A financial institutions, which from time to time may exceed federally insured limits. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.*

Liquidity Risks: During the nine month period ended September 30, 2015, the Company has a total comprehensive loss for the period of $1,547,128 and negative cash flows from operating activities of $3,293,412 and a cash balance at September 30, 2015 of $122,062. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to raise additional capital through the issuance of share capital or debt and achieve profitable operations in the future. The management of the Company has developed a strategy to address this uncertainty, including additional equity and/or debt financing; however, there are no assurances that any such financing can be obtained on favorable terms, if at all.*

*This paragraph contains forward looking information. Please refer to "Advisory Regarding Forward Looking Statements and Information" and "Risk Management" for a discussion of the risks and uncertainties related to such information

Currency Risk: With the Company being engaged in farming in southwest US, the Company will experience foreign exchange risk. Foreign exchange risk arises due to fluctuations in foreign currency rates, which could affect the Company's financial results.*

NEX Listing: The Company was trading on the NEX Board of the TSXV as it was inactive for a period of time. The Company is now in the organic farming business and is now listed on the Canadian Securities Exchange (the "CSE"). As a result, investment in the Common Shares of the Company may not be considered as highly speculative as it was under the NEW listing.*

29. Changes in Internal Control Over Financial Reporting

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for designing internal controls over financial reporting or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The design of the internal control over financial reporting was assessed as of September 30, 2015, and during this process, management did not identify any material weaknesses in internal controls over financial reporting which it had not disclosed already.*

30. Management's Responsibility for the Company's Financial Statements

The management of Captiva is responsible for the integrity of the accompanying financial statements, which have been prepared by management in accordance with the new guidelines under IFRS. The preparation of the financial statements necessarily involves the use of estimates and careful judgment, particularly in those circumstances where transactions affecting a current period are dependent upon further events. All financial information presented in this MD&A is consistent with the financial statements. To discharge its responsibilities for financial reporting and safeguarding of assets, management believes that it has established appropriate systems of internal accounting control that provide reasonable assurance that the financial records are reliable
and form a proper basis for the timely and accurate preparation of financial statements. Consistent with the concept of reasonable assurance, the Company recognizes that the relative cost of maintaining these controls should not exceed their expected benefits.* The Board of Directors discharges its responsibilities with respect to the financial statements primarily through the activities of its Audit Committee, which is comprised of all directors who are not employees of the Company. The Audit Committee has met with management to review the Company's reported financial performance and to discuss audit, internal control, accounting policy and financial reporting matters. The September 30, 2015 unaudited condensed interim financial statements were reviewed by the Audit Committee and approved by the Board of Directors on November 27, 2015.*

31. Commitments and Contingencies

Operating Lease Commitments

As at September 30, 2015, the Company is committed to the future land lease and operating payments as follows:

2015	$	2,761,168
2016		4,488,998
2017		3,778,401
2018		3,714,522
2019		3,768,681
2020		3,329,926
2021		1,693,702
Thereafter		-

*This paragraph contains forward looking information. Please refer to "Advisory Regarding Forward Looking Statements and Information" and "Risk Management" for a discussion of the risks and uncertainties related to such information.

During the nine months ended September 30, 2015, the Company signed the following farm land lease contracts:

1. With private individuals for a total of 419 acres in Imperial Valley. Both leases are for five (5) years and end in 2020.

2. With Bales & Bales II, both Arizona partnerships. The lease term began on July 1, 2015 and will terminate on June 30, 2020. The Company has the option to renew the lease for an additional ten (10) years to 2030.

3. With Arizona Valley Farm, LLC, a Delaware limited liability company. The lease term began on April 1, 2015 and will terminate on June 30, 2021. The Company has the option to renew the lease for a period of four (4) to six (6) years.

4. With Imperial Valley Farms, LLC, a Delaware limited liability company. The lease term began on April 1, 2015 and will terminate on June 30, 2021. The Company has the option to renew the lease for a period of four (4) to six (6) years.

In 2014, the Company signed a land lease contract with Albert Rodriguez and Raul Rodriguez for organic farm ground (35 acres) at Westmorland, California. The lease term began on August 15, 2014 and will terminate on August 15, 2019. This Company has an option to renew for an additional 5 years.

As at June 30, 2014, the Company did not have any operating lease commitments.

The Company's operating lease agreements do not contain any contingent rent clauses. None of the operating lease agreements contain purchase options or escalation clauses or any restrictions regarding dividends, further leasing or additional debt.

In connection with the legal action described above, the Company incurred legal fees as part of its initial defense. The Company did not sign an engagement letter for the services. In the Company's opinion, the initial services provided were counterproductive and not of the standard expected by the Company. The Company paid a significant portion of the fees incurred and decided to change law firms. The Company received additional invoices totaling approximately US$207,000 for services not requested from the initial law firm. The Company has not recorded these invoices in accounts payable and accrued liabilities as at September 30, 2015.*

As at September 30, 2015 and, June 30, 2014, the Company was not a defendant in any material legal actions

The Company remunerates some officers, directors, and other individuals by way of consulting fees. If certain of these individuals were deemed to be employees of the Company, as opposed to consultants, then the Company could be contingently liable for employer related withholdings and costs.*

32. Subsequent Events

a) Private Placements

(i) On November 5, 2015, the Company closed the non-brokered private placement of units of the Company (the "Units") at $0.40 per Unit (the "Offering") for net proceeds of $2,000,000. The closing consisted of 5,000,000 Units. Each Unit consisted of one common share in the capital of the Company (each a "Share") plus one-half of one common share purchase warrant (a "Warrant"). Each whole Warrant entitles the holder to purchase one additional Share at a price of $0.50 per Share until November 5, 2016. At the time of the Private Placement, $492,143 was ascribed to the Warrants using the Black-Scholes fair value pricing model based on a risk free rate of 0.62%, expected volatility of 148.5% and an expected life of one (1) year.

*This paragraph contains forward looking information. Please refer to "Advisory Regarding Forward Looking Statements and Information" and "Risk Management" for a discussion of the risks and uncertainties related to such information.

(ii) During the period from November 5, 2015 to November 27 2015, the Company obtained signed Subscription Agreements for the issuance of 3,023,000 Units (the “Units”) at $0.408 per Unit for gross proceeds of $1,233,384. Each Unit consists of one common share in the capital of the Company (a "Share") and one half of one common share purchase warrant (a "Warrant"). Each whole Warrant entitles the holder to purchase one additional common Share at a price of $0.50 per Share within one (1) year of the shares being issued.

b) Stock Options

On October 27, 2015, the Company granted an aggregate of 1,950,000 incentive stock options (the “Options”) in accordance with the Company’s stock option plan to Board members and consultants of the Company. Each Option, vesting immediately upon grant, entitles the holder to purchase one common share of the Company at a price of $0.56 per share until October 27, 2020. The fair value of these options granted is estimated to be $765,098 and will be recorded as stock-based compensation expense during the fourth (4^{th}) quarter 2015.

c) Further subsequent events

Subsequent to September 30, 2015, the company purchased additional vehicles for an aggregate total of $213,920 (US$160,300).

33. Additional Information

All relevant information relating to the Company is filed electronically on the System for Electronic Document Analysis and Retrieval at www.sedar.com

Listing and disclosure documents will be available at www.cnsx.ca

*This paragraph contains forward looking information. Please refer to "Advisory Regarding Forward Looking Statements and Information" and "Risk Management" for a discussion of the risks and uncertainties related to such information.