

Form 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Captiva Verde Industries Ltd. (the “**Company**”)
Suite 201 78080 Calle Amigo
La Quinta, California
92253

Item 2. Date of Material Change

May 2, 2016

Item 3. News Release

News Release dated May 2, 2016 was disseminated via Stockwatch and Market News and filed on Sedar on May 2, 2016.

Item 4. Summary of Material Change

The Company has closed the first tranche of a non-brokered private placement of debentures and has raised gross proceeds of CDN\$1,262,287.73.

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

The Company announced, further to its news release dated April 14, 2016, that the Company has closed the first tranche of the non-brokered private placement of 8% unsecured convertible debentures of the Company (the “**Debentures**”) for gross proceeds of CDN\$1,262,287.73 (the “**Offering**”).

The principal under the Debentures will be convertible, at the holder’s option, into fully paid and non-assessable units of the Company (the “**CD Units**”) at a conversion price of C\$0.30 per CD Unit. The Debentures will mature on May 2, 2019.

Each CD Unit will consist of one common share in the capital of the Company plus one-half of one common share purchase warrant (the “**CD Warrants**”). Each whole CD Warrant will entitle the holder to purchase one additional common share in the capital of the Company (a “**CD Warrant Share**”) at a price of C\$0.40 per CD Warrant Share on or before May 2, 2019.

All securities issued in connection with the Offering are subject to a statutory hold period ending on September 3, 2016 in accordance with applicable securities legislation. The net proceeds from the Offering will be used by the Company for its Farming Plan.

The Company will be proceeding with the next tranche of the Offering.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7. Omitted Information

None.

Item 8. Executive Officers

The following senior officer of the Company is knowledgeable about the material change and this Material Change Report and may be contacted:

Jeffrey Ciachurski, Chief Executive Officer and director
Telephone: (949) 903-5906.

Item 9. Date of Report

May 2, 2016.