



# CleanSeed

Capital Group Ltd.

**Condensed Consolidated Interim Financial Statements**  
**For the six month periods ended December 31, 2014 and 2013**  
**Expressed in Canadian Dollars**  
**(Unaudited – Prepared by Management)**

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**Clean Seed Capital Group Ltd.**  
**Condensed Consolidated Interim Financial Statements**  
For the six month periods ended December 31, 2014 and 2013

The accompanying unaudited condensed consolidated interim financial statements of Clean Seed Capital Group Ltd. for the six months ended December 31, 2014 and 2013 have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors.

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of the condensed consolidated interim financial statements by an entity's auditor.

*/s/ Graeme Lempriere*

\_\_\_\_\_  
Graeme Lempriere, Chief Executive Officer  
Vancouver, BC Canada  
February 27, 2015

*/s/ Steven Brassard*

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Steven Brassard, Chief Financial Officer  
Vancouver, BC Canada  
February 27, 2015

**Clean Seed Capital Group Ltd.**  
**Condensed Consolidated Interim Statements of Financial Position**  
(Unaudited - Expressed in Canadian Dollars)

	Notes	December 31, 2014	June 30, 2014
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	\$ 988,625	\$ 474,198
Receivables	5	27,586	46,580
Prepaid expenses		58,578	22,102
Inventory	6	10,178	26,666
Total current assets		1,084,967	569,546
<b>Non-current Assets</b>			
Intellectual property	7	5,466,320	5,081,374
Property and equipment	8	120,194	111,009
Total non-current assets		5,586,514	5,192,383
<b>TOTAL ASSETS</b>		<b>\$ 6,671,481</b>	<b>\$ 5,761,929</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities		\$ 202,196	\$ 246,688
Due to related parties	13	10,435	114,247
Notes payable to related party	9	88,316	177,279
Technology acquisition note payable	10, 13	299,389	286,861
<b>TOTAL LIABILITIES</b>		<b>600,336</b>	<b>825,075</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	11	9,270,671	7,284,632
Obligation to issue shares	11	-	412,350
Share-based payment reserve	12	1,280,643	1,069,427
Deficit		(4,480,169)	(3,829,555)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>6,071,145</b>	<b>4,936,854</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>\$ 6,671,481</b>	<b>\$ 5,761,929</b>

Ability to Continue as a Going Concern (Note 2(d))  
Commitments (Note 14)  
Subsequent Events (Note 16)

Approved on behalf of the Board:

/s/ Graeme Lempriere

Director

/s/ Mark Tommasi

Director

The accompanying summary of significant accounting policies and notes are an integral part of these condensed consolidated interim financial statements.

# Clean Seed Capital Group Ltd.

Condensed Consolidated Interim Statements of Comprehensive Loss  
(Unaudited - Expressed in Canadian Dollars)

	Three month period ended December 31		Six month period ended December 31	
	2014	2013	2014	2013
<b>Operating expenses</b>				
Amortization of property and equipment	\$ 7,409	\$ 3,978	\$ 13,203	\$ 9,763
Development	-	20,453	-	25,537
Foreign exchange	10,670	9,324	24,536	3,108
Interest on loans	7,432	10,228	15,103	21,493
Office and miscellaneous	22,180	9,168	34,311	31,323
Personnel	82,433	63,203	163,642	157,036
Premises	20,465	20,641	40,697	40,447
Professional	69,261	27,254	165,041	62,099
Share-based compensation 12(b)	15,000	-	108,000	28,800
Travel and trade shows	53,533	22,548	86,081	34,525
<b>Net and comprehensive loss for the year</b>	<b>\$ 288,383</b>	<b>\$ 186,797</b>	<b>\$ 650,614</b>	<b>\$ 414,131</b>
<b>Basic and diluted loss per share</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ (0.02)</b>	<b>\$ (0.02)</b>
<b>Weighted average number of shares outstanding</b>	<b>34,791,292</b>	<b>28,108,226</b>	<b>33,954,402</b>	<b>26,222,196</b>

The accompanying summary of significant accounting policies and notes are an integral part of these condensed consolidated interim financial statements.

## Clean Seed Capital Group Ltd.

Condensed Consolidated Interim Statements of Changes in Equity  
(Unaudited - Expressed in Canadian Dollars)

	Share Capital					
	Number	Amount	Obligation to Issue Shares	Share-based Payment Reserve	Accumulated Deficit	Total
<b>Balance, June 30, 2013</b>	<b>24,356,666</b>	<b>\$ 5,549,510</b>	<b>\$ -</b>	<b>\$ 794,190</b>	<b>\$ (2,580,777)</b>	<b>\$ 3,762,923</b>
Units Issued for cash at \$0.25 per unit	5,605,000	1,401,250	-	-	-	1,401,250
Share issue costs	-	(45,864)	-	13,600	-	(32,264)
Share issuance upon exercise of warrants	268,000	80,400	-	-	-	80,400
Transfer of fair value to share capital upon exercise of warrants	-	13,400	-	(13,400)	-	-
Share-based compensation	-	-	-	28,800	-	28,800
Net loss and comprehensive loss for the period	-	-	-	-	(414,131)	(414,131)
<b>Balance, December 31, 2013</b>	<b>30,229,666</b>	<b>\$ 6,998,696</b>	<b>\$ -</b>	<b>\$ 823,190</b>	<b>\$ (2,994,908)</b>	<b>\$ 4,826,978</b>
Subscriptions received prior to issuing shares	-	-	412,350	-	-	412,350
Share issuance upon exercise of share options	115,000	23,250	-	-	-	23,250
Transfer of fair value to share capital upon exercise of share options	-	17,220	-	(17,220)	-	-
Share issuance upon exercise of agents' share options	279,578	83,873	-	-	-	83,873
Transfer of fair value to share capital upon exercise of agents' share	-	57,593	-	(57,593)	-	-
Share issuance upon exercise of warrants	240,000	94,000	-	-	-	94,000
Transfer of fair value to share capital upon exercise of warrants	-	10,000	-	(10,000)	-	-
Share-based compensation	-	-	-	331,050	-	331,050
Net loss and comprehensive loss for the year	-	-	-	-	(834,647)	(834,647)
<b>Balance, June 30, 2014</b>	<b>30,864,244</b>	<b>\$ 7,284,632</b>	<b>\$ 412,350</b>	<b>\$ 1,069,427</b>	<b>\$ (3,829,555)</b>	<b>\$ 4,936,854</b>
Units Issued for cash at \$0.60 per unit	2,500,000	1,350,000	(412,350)	150,000	-	1,087,650
Share issue costs	-	(215,720)	-	50,323	-	(165,397)
Share issuance upon exercise of warrants	1,793,500	647,725	-	-	-	647,725
Transfer of fair value to share capital upon exercise of warrants	-	20,000	-	(20,000)	-	-
Share issuance upon exercise of share options	100,000	30,000	-	-	-	30,000
Transfer of fair value to share capital upon exercise of share options	-	24,300	-	(24,300)	-	-
Share issuance upon exercise of agents' share options	256,422	76,927	-	-	-	76,927
Transfer of fair value to share capital upon exercise of agents' share options	-	52,807	-	(52,807)	-	-
Share-based compensation	-	-	-	108,000	-	108,000
Net loss and comprehensive loss for the year	-	-	-	-	(650,614)	(650,614)
<b>Balance, December 31, 2014</b>	<b>35,514,166</b>	<b>\$ 9,270,671</b>	<b>\$ -</b>	<b>\$ 1,280,643</b>	<b>\$ (4,480,169)</b>	<b>\$ 6,071,145</b>

The accompanying summary of significant accounting policies and notes are an integral part of these condensed consolidated interim financial statements.

**Clean Seed Capital Group Ltd.**  
**Condensed Consolidated Interim Statements of Cash Flows**  
**(Unaudited - Expressed in Canadian Dollars)**

	Six month period ended December 31,	
	2014	2013
<b>Cash flows from operating activities</b>		
Net loss for the year	\$ (650,614)	\$ (414,131)
Adjustments for items not affecting cash		
Amortization of property and equipment	13,203	9,763
Foreign exchange	24,536	3,108
Interest on loans	13,958	21,493
Share-based compensation	108,000	28,800
Changes in non-cash working capital items		
Receivables	18,994	28,410
Inventory	-	(31,121)
Prepaid expenses	(36,476)	(7,439)
Due to related parties	(118,122)	(51,630)
Accounts payable and accrued liabilities	102,248	(109,987)
	<b>(524,273)</b>	<b>(522,734)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of common shares, net cash share issue costs	1,334,603	1,368,986
Proceeds from subscriptions collected without issuing shares	(412,350)	-
Proceeds from exercise of warrants	497,725	45,275
Proceeds from exercise of incentive and agent options	106,927	-
Repayment of notes payable to related party	(91,626)	(101,509)
Interest paid on notes and technology acquisition payable	(23,303)	(15,000)
	<b>1,411,976</b>	<b>1,297,752</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(22,388)	(17,920)
Development of intellectual property, net of recoveries	(350,888)	(93,073)
	<b>(373,276)</b>	<b>(110,993)</b>
<b>Increase (decrease) in cash and cash equivalents for the year</b>	<b>514,427</b>	<b>664,025</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>474,198</b>	<b>95,637</b>
<b>Cash and cash equivalents, end of year</b>	<b>988,625</b>	<b>759,662</b>
<b>Cash and cash equivalents:</b>		
Cash	\$ 267,442	\$ 736,462
Cash equivalents	721,183	23,200
<b>Supplemental Cash Flow Information</b>		
Interest accrued on notes payable to related party	\$ 2,663	\$ 10,896
Interest accrued on technology acquisition payable	11,295	10,597
Fair value of warrants issued to brokers as compensation on unit issuance	50,323	13,600
Fair value of stock options exercised	77,107	-
Fair value of warrants exercised	20,000	13,400
Warrants exercised through debt extinguishment	150,000	-
Intellectual property enhancements included in accounts payable	3,260	-
Intellectual property enhancements included in due to related parties	14,310	-
Inventory transferred to intellectual property	16,488	-
Proceeds of unit raise allocated to warrants	150,000	103,627
Extinguishment of Obligation to issue shares through the issuance of common shares	412,350	-

The accompanying summary of significant accounting policies and notes are an integral part of these condensed consolidated interim financial statements.

# Clean Seed Capital Group Ltd.

## Notes to the Condensed Consolidated Interim Financial Statements

For the six month period ended December 31, 2014

(Unaudited - Expressed in Canadian Dollars, unless otherwise stated)

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### 1. CORPORATE INFORMATION

Clean Seed Capital Group Ltd. (the "Company") was incorporated under the British Columbia Business Corporation Act on January 28, 2010. The Company is listed on the TSX-Venture Exchange ("TSX-V"), having the symbol CSX.V and its primary business is the development, manufacturing and selling of sustainable agriculture technology, specifically no-till SMART seeding equipment.

The address of the Company's registered office is Suite 2900, 595 Burrard Street, Vancouver, British Columbia, Canada, V7X 1J5.

The address of the Company's principal place of business is 7541 Conway Avenue, Unit 14, Burnaby, British Columbia, V5E 2P7.

### 2. BASIS OF PREPARATION

#### a) Statement of compliance

The condensed consolidated interim financial statements of the Company for the six month period ending December 31, 2014, including comparatives, has been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

These condensed consolidated interim financial statements have been prepared on the basis of and using accounting policies, methods of computation and present consistent with those applied in the audited annual consolidated financial statements for the year ended June 30, 2014.

The condensed consolidated interim financial statements do not include all the information required for full annual financial statements and were approved and authorized for issue by the Audit Committee and Board of Directors of the Company on February 27, 2015.

#### b) Basis of measurement

These condensed consolidated interim financial statements have been prepared on a historical cost basis.

The condensed consolidated interim financial statements are presented in Canadian dollars, which is also the Company's functional currency, and all values are rounded to the nearest dollar, unless otherwise indicated.

#### c) Use of estimates and judgments

The preparation of these condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenues and expenditures. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. They form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision, and further periods, if the revision affects both current and future periods.

Judgments made by management in the application of IFRS that have a significant effect on the financial statements, and estimates with a significant risk of material adjustment in the current and following fiscal years are discussed in Note 3.

# Clean Seed Capital Group Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

For the six month period ended December 31, 2014

(Unaudited - Expressed in Canadian Dollars, unless otherwise stated)

## 2. BASIS OF PREPARATION (continued)

### d) Ability to Continue as a Going Concern

These condensed consolidated interim financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realization of assets and discharge of liabilities in the normal course of business. The Company is considered to be in the development stage as it has not generated any income to date as it continues the development of its intellectual property. The underlying value of the Company's intellectual property is dependent upon the Company's ability to i) generate future profitable business operations, based upon that intellectual property, and ii) repay its liabilities arising from normal business operations when they come due, including meeting the technology acquisition agreement payment requirements as they fall due as disclosed in Note 10.

While these condensed consolidated interim financial statements have been prepared on the assumption that the Company is a going concern and will be able to realize its assets and meet its obligations in the normal course of operations, there are conditions and events that cast doubt on the validity of that assumption.

As at December 31, 2014, the Company has a net working capital of \$484,631, has an accumulated deficit of \$4,480,169, incurred a loss of \$650,614 for the six month period ended December 31, 2014, net cash outflows used in operations of \$524,273 for the six month period ended December 31, 2014 and has a history of losses from operations. The Company's ability to continue as a going concern may be dependent on management's ability to raise the necessary funding through future equity issuances, asset sales or a combination thereof. There is no assurance that such financing will be sufficient to sustain operations in the foreseeable future. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary, should the Company be unable to continue as a going concern. Such adjustments could be material. While these consolidated financial statements have been prepared on the assumption that the Company is a going concern and will be able to realize its assets and meet its obligations in the normal course of operations, there are significant conditions and events that cast doubt on the validity of that assumption.

### e) Subsidiaries

In addition to the Company, the condensed consolidated interim financial statements includes its subsidiaries. Subsidiaries are all corporations over which the Company is able, directly or indirectly, to control financial and operating policies, which is the authority usually connected with holding majority voting rights. Subsidiaries are fully consolidated from the date on which control is acquired by the Company. They are de-consolidated from the date that control by the Company ceases.

The subsidiaries of the Company is as follows:

Name of Subsidiary	Principal Activity	Fiscal Year-End	Place of Incorporation and Operation	Portion of Ownership Interest and Voting Power Held	
				December 31, 2014	June 30, 2014
Clean Seed Agricultural Technologies Ltd.	Agriculture Technology Developer	June 30	British Columbia, Canada	100%	100%
Seed Sync Systems Ltd.	Software Development Developer	June 30	British Columbia, Canada	100%	N/A

# Clean Seed Capital Group Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

For the six month period ended December 31, 2014

(Unaudited - Expressed in Canadian Dollars, unless otherwise stated)

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## 2. BASIS OF PREPARATION (continued)

### f) Consolidation principles

Assets, liabilities, revenues and expenses of the subsidiaries are recognized in accordance with the Company's accounting policies. Intercompany transactions are eliminated at consolidation.

## 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only; in the period of the change and future periods, if the change affects both. Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustments to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below.

### Impairment of Intellectual Property

In accordance with our accounting policies, we review intangible assets available for use at each reporting period to determine whether there is an indication of impairment. An asset may be impaired if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the asset or fair value less cost to sell. In determining indicators of impairment of intangible assets, we consider external sources of information such as prevailing economic and market conditions. We also consider internal sources of information such as the historical and expected financial performance of the intangible assets. If an indication of impairment exists, the asset's recoverable amount is estimated. If the carrying amount exceeds the recoverable amount (on a discounted basis), the asset value is written down to the recoverable amount. Management has determined the intellectual property is not available for use and has performed an impairment test based on assessing its recoverable amount. The fair value of the intangible asset, our single cash generating unit, based on fair value less cost to sell is in excess of the carrying amount and no impairment was recorded.

### Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the actual outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

# Clean Seed Capital Group Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

For the six month period ended December 31, 2014

(Unaudited - Expressed in Canadian Dollars, unless otherwise stated)

## 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

### Share-based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. The Company uses the Black-Scholes option pricing model to estimate the fair value of options granted. This estimate requires determining the most appropriate inputs for the Black-Scholes model including the expected life of the share option, volatility and dividend yield.

As there is insufficient historical share price data of the Company from which to estimate expected future share price volatility, the Company has estimated expected share price volatility based on the historical share price volatility of comparable entities. The expected life of the share option is based on the full term of the instrument as there was not sufficient historical data to suggest a more appropriate term. The risk-free interest rate is based on a treasury instrument whose term is consistent with the expected term of the stock options. We have not paid and do not anticipate paying cash dividends on our shares of common stock; therefore, the expected dividend yield is assumed to be zero.

The assumptions used for estimating fair value for share-based payment transactions are disclosed in Note 12(b).

## 4. CASH AND CASH EQUIVALENTS

		December 31, 2014		June 30, 2014
Cash	\$	267,442	\$	410,854
Redeemable Guaranteed Investment Certificates		721,183		63,344
	\$	988,625	\$	474,198

## 5. RECEIVABLES

		December 31, 2014		June 30, 2014
Receivables	\$	3,034	\$	-
Goods and Services Tax recoverable		13,752		29,780
Industrial Research Assistance Program Grants		10,800		16,800
	\$	27,586	\$	46,580

# Clean Seed Capital Group Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

For the six month period ended December 31, 2014

(Unaudited - Expressed in Canadian Dollars, unless otherwise stated)

## 6. INVENTORY

The Company's inventories consist entirely of raw materials. Raw materials consumed in the development of prototypes are considered part of intellectual property.

	December 31, 2014	June 30, 2014
<b>Raw materials, opening balance</b>	<b>\$ 26,666</b>	<b>\$ 88,509</b>
Purchases	-	31,519
Inventory transferred to capital assets	-	(6,850)
Raw materials used in development of prototypes	(16,488)	(86,512)
<b>Raw materials, ending balance</b>	<b>\$ 10,178</b>	<b>\$ 26,666</b>
<b>Finished goods, opening balance</b>	<b>\$ -</b>	<b>\$ -</b>
Raw materials consumed	16,488	86,512
Transferred to intellectual property	(16,488)	(86,512)
<b>Finished goods, ending balance</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Inventory, ending balance</b>	<b>\$ 10,178</b>	<b>26,666</b>

## 7. INTELLECTUAL PROPERTY

	Cost	Accumulated Amortization	Impairment	Net Book Value
<b>Balance, June 30, 2013</b>	<b>\$ 4,307,532</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,307,532</b>
Additions	795,342	-	-	795,342
Recoveries	(21,500)	-	-	(21,500)
<b>Balance, June 30, 2014</b>	<b>\$ 5,081,374</b>	<b>\$ -</b>	<b>\$ -</b>	<b>5,081,374</b>
Additions	384,946	-	-	384,946
<b>Balance, December 31, 2014</b>	<b>\$ 5,466,320</b>	<b>\$ -</b>	<b>\$ -</b>	<b>5,466,320</b>

On September 26, 2011, the Company acquired Clean Seed Agriculture Technologies Ltd. (at the time known as Vesco Agricultural Technologies Ltd.), which held the rights to acquire a portfolio of patents to no-till technology and the obligation to make the payments to complete that acquisition. As disclosed in Note 10, the Company has remaining payments of \$299,389 to complete the acquisition of the portfolio of patents as at December 31, 2014.

Intellectual property consists of the underlying technology consisting of patents pending and the right to a portfolio of patents in the process of acquisition by Clean Seed Agricultural Technologies Ltd. and development costs of translating those patents into an equipment line ready for sale. The intellectual property has a finite life based on the remaining useful life of the patents that make up the intellectual property. The Company will begin amortizing the intellectual property over the remaining life of the patents once it has commercially launched its completed line of equipment.

The Company received \$23,075 for the six month period ended December 31, 2014 (2013 - \$NIL) of non-repayable government grants to subsidize the cost of developing certain components of its intellectual property. There are no unfulfilled conditions of contingencies attached to these grants.

## Clean Seed Capital Group Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

For the six month period ended December 31, 2014

(Unaudited - Expressed in Canadian Dollars, unless otherwise stated)

### 8. PROPERTY AND EQUIPMENT

	Leasehold Improvement	Office Furniture and Equipment	Computer Equipment	Computer Software	Shop Equipment	Production Molds	Total
<b>Cost</b>							
<b>Balance, June 30, 2013</b>	\$ 7,895	\$ 15,518	\$ 7,013	\$ 13,590	\$ 10,689	\$ 68,145	\$ 122,850
Additions	-	-	1,535	9,513	15,257	16,265	42,570
<b>Balance, June 30, 2014</b>	7,895	15,518	8,548	23,103	25,946	84,410	165,420
Additions	5,499	1,331	8,878	6,680	-	-	22,388
<b>Balance, December 31, 2014</b>	\$ 13,394	\$ 16,849	\$ 17,426	\$ 29,783	\$ 25,946	\$ 84,410	\$ 187,808
<b>Amortization</b>							
<b>Balance, June 30 2013</b>	\$ 1,052	\$ 4,894	\$ 4,244	\$ 9,253	\$ 3,947	\$ 9,070	\$ 32,460
Amortization for the year	789	2,124	1,768	4,547	4,151	8,572	21,951
<b>Balance, June 30 2014</b>	1,841	7,018	6,012	13,800	8,098	17,642	54,411
Amortization for the year	532	917	1,743	3,161	2,677	4,173	13,203
<b>Balance, December 31, 2014</b>	\$ 2,373	\$ 7,935	\$ 7,755	\$ 16,961	\$ 10,775	\$ 21,815	\$ 67,614
<b>Carrying Amounts</b>							
<b>At June 30, 2013</b>	\$ 6,843	\$ 10,624	\$ 2,769	\$ 4,337	\$ 6,742	\$ 59,075	\$ 90,390
<b>At June 30, 2014</b>	\$ 6,054	\$ 8,500	\$ 2,536	\$ 9,303	\$ 17,848	\$ 66,768	\$ 111,009
<b>At December 31, 2014</b>	\$ 11,021	\$ 8,914	\$ 9,671	\$ 12,822	\$ 15,171	\$ 62,595	\$ 120,194

Amortization of \$13,203 (June 30, 2014 - \$21,951) was allocated as follows:

- \$13,203 (June 30, 2014 - \$21,951) to Amortization on Property and Equipment, and
- \$Nil (June 30, 2014 - \$Nil) to development of Intellectual Property.

# Clean Seed Capital Group Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

For the six month period ended December 31, 2014

(Unaudited - Expressed in Canadian Dollars, unless otherwise stated)

## 9. NOTES TO RELATED PARTY

The notes and loans payable activity is as follows:

	Principal	Interest	Notes Payable
<b>Balance, June 30, 2013</b>	<b>\$ 224,150</b>	<b>\$ 47,123</b>	<b>\$ 271,273</b>
Additions	75,000	-	75,000
Repayments	(125,000)	(61,966)	(186,966)
Interest accrued	-	17,972	17,972
<b>Balance, June 30, 2014</b>	<b>\$ 174,150</b>	<b>\$ 3,129</b>	<b>\$ 177,279</b>
Additions	-	-	-
Repayments	(86,099)	(6,527)	(92,626)
Interest accrued	-	3,663	3,663
<b>Balance at December 31, 2014</b>	<b>\$ 88,051</b>	<b>\$ 265</b>	<b>\$ 88,316</b>

During the six month period ended December 31, 2014, the following changes occurred:

- On July 21, 2014, the Company repaid three promissory notes totaling \$77,500.
- On December 15, 2014 the company repaid principal of \$8,599.
- The company repaid accrued interest of \$6,527

During the year ended June 30, 2014, the following changes occurred:

- On July 12, 2013, the Company issued a promissory note of \$50,000 payable September 30, 2013 at a rate of 11% per annum. The note was repaid in full during year ended June 30, 2014.
- On August 22, 2013, the Company issued a promissory note of \$25,000 payable September 30, 2013 at a rate of 11% per annum. The note was repaid in full during the year ended June 30, 2014.

The remaining notes payable consist of four individual promissory notes payable to a related party, and range from \$11,400 to \$31,650 as follows:

Principal	Accrued Interest	Total	Interest Rate	Maturity Date	Related Party	Security
\$ 88,051	\$ 265	\$ 88,316	7%	On Demand	Yes	Unsecured

The notes payable are due to a company controlled by the Company's President and CEO. The noteholder agreed to defer payment of the principal on notes issued prior to June 28, 2013 until the later of:

- the time the Company raises an aggregate of at least \$5,000,000 through the sale of its equity, including the initial public offering, or
- September 30, 2013.

As of December 31, 2014, the Company has raised aggregate proceeds of \$6,888,675 through the sale of its equity. Subsequent to the year-end, the Company raised funds through a private placement to bring the aggregate proceeds above \$5,000,000 through the sales of equity. The Company is in discussions with the note holder to update the terms of repayment and the Company remains in good standing in the interim.

# Clean Seed Capital Group Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

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## 10. TECHNOLOGY ACQUISITION NOTE PAYABLE

The technology acquisition note payable activity is as follows:

	Principal	Accrued Interest	Notes Payable
<b>Balance at June 30, 2013</b>	<b>\$ 271,558</b>	<b>\$ 31,146</b>	<b>\$ 302,704</b>
Interest accrued	-	21,554	21,554
Repayments	-	(42,000)	(42,000)
Foreign exchange	4,088	515	4,603
<b>Balance at June 30, 2014</b>	<b>\$ 275,646</b>	<b>\$ 11,215</b>	<b>\$ 286,861</b>
Interest accrued	-	11,295	11,295
Repayments	(145)	(23,158)	(23,303)
Foreign exchange	23,888	648	24,536
<b>Balance at December 31, 2014</b>	<b>\$ 299,389</b>	<b>\$ -</b>	<b>\$ 299,389</b>

The Company is in the process of completing the acquisition of the intellectual property consisting of a portfolio of patents that comprise core elements of its no-till technology Company. The Company acquired the rights to the intellectual property pursuant to an agreement with Marvelle Corporate Development Group, a related party by common CEO ("Marvelle Development"). Marvelle Development obtained the rights through Agreement of Sale dated March 1, 2007 (the "Technology Sale Agreement"), from the holder of the intellectual property (the "Holder").

Marvelle Development was to pay the Holder US\$520,000, payable as follows:

- (i) US\$20,000 on signing of that agreement (which was paid);
- (ii) US\$250,000 on June 1, 2007 (paid September 26, 2011); and
- (iii) US\$250,000 on or before April 15, 2008 (which has not been paid).

Pursuant to an Assignment Agreement dated July 30, 2007, Marvelle Development assigned all of its rights under the Technology Sale Agreement to Clean Seed Agricultural (at the time, Vesco Agricultural Technologies Ltd.), with the consent of the patent holder. By way of subsequent Amending Agreements dated July 30, 2007 and June 20, 2010 respectively, between Clean Seed Agricultural Technologies Ltd. and the Holder, the payment terms under the Technology Sale Agreement were amended such that the total consideration payable remains US\$520,000, and the payment dates for the two outstanding amounts were extended to:

- (i) US\$250,000 (plus interest at the annual rate of 7.8% thereon) on or before Clean Seed Agricultural Technologies Ltd. obtains a public listing on a recognized stock exchange (which was satisfied by the Company listing its shares on the TSX-V, on September 26, 2011 and has been paid); and
- (ii) US\$250,000 (plus interest at the annual rate of 7.8% thereon) upon the later of:
  - a. 12 months following the Listing Date of September 26, 2011 (September 26, 2012); or
  - b. such date Clean Seed Agricultural Technologies Ltd. completes the construction of two demonstration machines and upon independent verification that use of the technology qualifies for no-till carbon offset credits in the agricultural sector (one has qualified to date).

The Company remains in good standing to the loan agreement. The Company plans to repay the loan when the funding is available. In the event the Company is in default of the agreement by failing to make any required payment within the time limit of the agreement and fails to remedy the default within 30 days of a notice of default, the Holder may terminate the agreement and recover the technology. The Holder of the technology is its inventor and is the father of the Chief Executive Officer of the Company.

# Clean Seed Capital Group Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

For the six month period ended December 31, 2014

(Unaudited - Expressed in Canadian Dollars, unless otherwise stated)

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## 11. SHARE CAPITAL

### a) Authorized

The Company's authorized capital consists of an unlimited number of common shares without par value.

### b) Issued

During the six month period ended December 31, 2014, the following share transactions occurred:

- i. On July 16, 2014, the Company completed a private placement of 2,500,000 units in two tranches, with each unit consisting of one common share and one share purchase warrant at a price of \$0.60 per unit for gross proceeds of \$1,500,000. Proceeds of \$1,350,000 and \$150,000 were allocated to share capital and share-based payment reserve respectively. Each share purchase warrant entitles the holder to purchase one common share for a period of 24 months at a price of \$0.85 per share in the first 12 months and \$1.25 per share in the 12 months thereafter. Share issue costs for the private placement totaled \$215,720 and consisted of \$165,394 in cash and 143,780 broker warrants valued at \$50,323. The broker warrants are exercisable at \$0.60 per share for 18 months from the date of issuance.
- ii. The Company received proceeds of \$30,000 upon exercise of 100,000 incentive share options at an exercise price of \$0.30 per option. The fair value of the incentive options exercised, totaling \$24,300, was transferred from share-based payment reserve to share capital upon exercise.
- iii. The Company received proceeds of \$76,927 upon exercise of 256,422 agents' share options at an exercise price of \$0.30 per agent option. The fair value of the share purchase options exercised, totaling \$52,807, was transferred from share-based payment reserve to share capital upon exercise.
- iv. The Company received proceeds of \$497,725 and extinguished amounts due to a related party of \$150,000 upon exercise of 1,793,500 share purchase warrants at exercise prices ranging from \$0.35 to \$0.40 per share purchase warrant. The fair value of the share purchase warrants exercised, totaling \$20,000, was transferred from share-based payment reserve to share capital upon exercise.

During the year ended June 30, 2014, the following share transactions occurred:

- i. On October 31, 2013 and November 5, 2013, the Company completed a private placement of 5,605,000 units in two tranches, with each unit consisting of one common share and one share purchase warrant at a price of \$0.25 per unit for gross proceeds of \$1,401,250. The proceeds were allocated to share capital. Each share purchase warrant entitles the holder to purchase one common share for a period of 24 months at a price of \$0.35 per share in the first 12 months and \$0.45 per share in the 12 months thereafter. Share issue costs for the private placement totaled \$45,864 and consisted of \$32,264 in cash and 73,680 agents' warrants valued at \$13,600. The agents' warrants have the same terms as the share purchase warrants.
- ii. The Company received proceeds of \$11,250 and \$12,000 upon exercise of 75,000 and 40,000 incentive share options at an exercise price of \$0.15 and \$0.30 per option respectively. The fair value of the incentive options exercised, totaling \$17,220, was transferred from share-based payment reserve to share capital upon exercise.
- iii. The Company received proceeds of \$83,873 upon exercise of 279,578 agents' share options at an exercise price of \$0.30 per agent option. The fair value of the share purchase options exercised, totaling \$57,593, was transferred from share-based payment reserve to share capital upon exercise.
- iv. The Company received proceeds of \$174,400 upon exercise of 508,000 share purchase warrants at exercise prices ranging from \$0.30 to \$0.40 per share purchase warrant. The fair value of the share purchase warrants exercised, totaling \$23,400, was transferred from share-based payment reserve to share capital upon exercise.

# Clean Seed Capital Group Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

For the six month period ended December 31, 2014

(Unaudited - Expressed in Canadian Dollars, unless otherwise stated)

## 11. SHARE CAPITAL (continued)

### b) Issued (continued)

- v. The Company received share subscriptions of \$412,350 related to a private placement that closed subsequent to year-end (Note 16).

## 12. EQUITY AND RESERVES

### a) Nature and Purpose of Equity and Reserves

The reserves recorded in equity on the Company's balance sheet include 'Share-based Payment Reserve', and 'Accumulated Deficit'.

- 'Share-based Payment Reserve' is used to recognize the fair value of derivative instruments granted or issued by the Company.
- 'Accumulated Deficit' is used to record the Company's change in deficit from earnings from period to period.

### b) Share-based Payment Reserve

The share-based payment reserve consists of the following amounts:

	Incentive Options	Agent's Options	Warrants	Broker Warrants	Share- based Payment Reserve
Balance at June 30, 2013	\$ 556,290	\$ 110,400	\$ 127,500	\$ -	\$ 794,190
Options granted under stock option plan	359,850	-	-	-	359,850
Broker warrants issued	-	-	-	13,600	13,600
Transfer of fair value of options exercised	(17,220)	(57,593)	(23,400)	-	(98,213)
Balance at June 30, 2014	\$ 898,920	\$ 52,807	\$ 104,100	\$ 13,600	\$ 1,069,427
Options granted under stock option plan	108,000	-	-	-	108,000
Warrants issued as part of Unit issuance	-	-	150,000	-	150,000
Broker Warrants issued	-	-	-	50,323	50,323
Transfer of fair value of options exercised	(24,300)	(52,807)	(20,000)	-	(97,107)
Balance at December 31, 2014	\$ 982,620	\$ -	\$ 234,100	\$ 63,923	\$ 1,280,643

# Clean Seed Capital Group Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

For the six month period ended December 31, 2014

(Unaudited - Expressed in Canadian Dollars, unless otherwise stated)

## 12. EQUITY AND RESERVES (continued)

### b) Share-based Payment Reserve (continued)

The Company uses the Black-Scholes pricing model to determine the fair value of incentive options granted and agent's options and agent's warrants issued. This model requires the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's share options and warrants. The Company uses the residual value method to allocate value to warrants issued as part of a unit.

#### i. Incentive Share Options

The Company has a share option plan under which directors, officers and employees of the Company, its subsidiaries and certain external consultants, are eligible to receive stock options. The aggregate number of shares to be issued upon the exercise of all options granted under the plan shall not exceed 10% of the issued shares of the Company at the time of granting the options. The maximum number of common shares optioned to any one optionee shall not exceed 5% of outstanding common shares of the Company. Options granted must not exceed five years and typically vest on the day of grant or at terms to be determined by the directors at the time of grant. The exercise price of each option shall be determined by the directors at the time of grant but shall not be less than the price permitted by the policies of the TSX-V on which the Company's common shares are listed.

The following table summarizes incentive share option activity for the period ended December 31, 2014 and the year ended June 30, 2014:

	Number of Options	Weighted Average Exercise Price
Balance, June 30, 2013	2,190,000	\$ 0.28
Granted	1,220,000	0.39
Exercised	(115,000)	0.20
Cancelled	(280,000)	0.28
Balance, June 30, 2014	3,015,000	0.33
Granted	450,000	0.55
Exercised	(100,000)	0.30
Balance, December 31, 2014	3,365,000	\$ 0.36

# Clean Seed Capital Group Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

For the six month period ended December 31, 2014

(Unaudited - Expressed in Canadian Dollars, unless otherwise stated)

## 12. EQUITY AND RESERVES (continued)

### b) Share-based Payment Reserve (continued)

#### i. Incentive Share Options (continued)

Options outstanding at December 31, 2014 and June 30, 2014 were as follows:

Expiry Date	December 31, 2014		June 30, 2014	
	Number of Options Outstanding	Weighted Average Exercise Price	Number of Options Outstanding	Weighted Average Exercise Price
September 28, 2016	740,000	\$ 0.30	740,000	\$ 0.30
November 1, 2016	-	-	100,000	0.30
November 4, 2016	40,000	0.30	40,000	0.30
November 21, 2016	100,000	0.30	100,000	0.30
January 30, 2017	300,000	0.30	300,000	0.30
April 10, 2017	50,000	0.30	50,000	0.30
September 11, 2017	150,000	0.30	150,000	0.30
September 18, 2017	30,000	0.30	30,000	0.30
January 4, 2018	150,000	0.20	150,000	0.20
April 4, 2018	135,000	0.30	135,000	0.30
August 27, 2018	160,000	0.30	160,000	0.30
January 24, 2019	680,000	0.27	680,000	0.27
April 29, 2019	350,000	0.50	350,000	0.50
May 15, 2019	30,000	0.60	30,000	0.60
August 1, 2019	350,000	0.60	-	-
September 23, 2019	25,000	0.40	-	-
October 9, 2019	75,000	0.40	-	-
December 16, 2019	25,000	0.37	-	-
	<b>3,365,000</b>	<b>\$ 0.36</b>	<b>3,015,000</b>	<b>\$ 0.33</b>
Weighted Average Remaining Contractual Life (years)		3.40		3.43
Weighted Average Fair Value of Options Granted		\$ 0.24		\$ 0.30

At December 31, 2014, of the incentive stock options expiring on April 29, 2019, 125,000 had not vested and of those expiring on August 1, 2019, 225,000 had not vested. All other incentive stock options are fully vested.

During the current year, the Company used the Black-Scholes option pricing model to estimate the fair value of the options granted at the grant date using the following assumptions:

	December 31, 2014	June 30, 2014
Risk-free interest rate	1.33% - 1.65%	1.52% - 1.87%
Expected life of options	5 Years	5 Years
Annualized volatility	63 - 64%	63 - 86%
Dividend Rate	0.00%	0.00%

The Company used the historical volatilities of comparable companies to estimate the volatility of the share price.

# Clean Seed Capital Group Ltd.

Notes to the Condensed Consolidated Interim Financial Statements  
For the six month period ended December 31, 2014  
(Unaudited - Expressed in Canadian Dollars, unless otherwise stated)

## 12. EQUITY AND RESERVES (continued)

### b) Share-based Payment Reserve (continued)

#### ii. Agents' Options

During the period ended December 31, 2014 and year ended June 30, 2014, the Company issued no Agents' options.

The following table summarizes agents' options activity for the six month period ended December 31, 2014 and the year ended June 30, 2014:

	Number of Options	Weighted Average Exercise Price	Share-based Payment Reserve
Balance, June 30, 2013 and 2014	256,422	\$ 0.30	\$ 52,807
Exercised	(256,422)	0.30	(52,807)
Balance, December 31, 2014	-	\$ -	\$ -

Agents' options outstanding at December 31, 2014 and June 30, 2014 are as follows:

Expiry Date	December 31, 2014		June 30, 2014	
	Number of Options Outstanding	Exercise Price	Number of Options Outstanding	Exercise Price
September 28, 2014*	-	\$ -	256,422	\$ 0.30
Remaining Contractual Life (years)				0.25
Fair Value of Options Granted		N/A		N/A

#### iii. Warrants

On July 16, 2014, the Company completed a private placement consisting of 2,500,000 units being issued at a unit price of \$0.60. Each unit consisted of one common share and one share purchase warrant ("warrant"). Based on the residual value method, \$150,000 was allocated to the value of the warrants issued. The warrants are exercisable at \$0.85 per share for the first year and \$1.25 per share for the second year until they expire on July 16, 2016.

On October 31, 2013 and November 5, 2013, the Company completed a private placement in two tranches consisting of 5,605,000 units being issued at a unit price of \$0.25. Each unit consisted of one common share and one share purchase warrant ("warrant"). Based on the residual value method, \$nil was allocated to the value of the warrants issued. The warrants are exercisable at \$0.35 per share for the first year and \$0.45 per share for the second year until they expire on October 31, 2015 and November 5, 2015 respectively. In addition, 73,680 agents' warrants with the same terms were granted with a fair value calculated using the Black-Scholes model of \$13,600.

# Clean Seed Capital Group Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

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(Unaudited - Expressed in Canadian Dollars, unless otherwise stated)

## 12. EQUITY AND RESERVES (continued)

### b) Share-based Payment Reserve (continued)

#### iii. Warrants (continued)

The following table summarizes warrants activity for the six months period ended December 31, 2014 and the year ended June 30, 2014:

	Number of Warrants	Weighted Average Exercise Price	Share-based Payment Reserve
Balance, June 30, 2013	2,550,000	\$ 0.40	\$ 128,300
Granted*	5,605,000	0.35/0.45	-
Exercised	(508,000)	0.34	(24,200)
Balance, June 30, 2014	7,647,000	\$ 0.40	\$ 104,100
Granted**	2,500,000	0.85/1.25	150,000
Exercised	(1,793,500)	0.36	(20,000)
Expired	(1,682,000)	0.40	-
Balance, December 31, 2014	6,671,500	\$ 0.60	\$ 234,100

\* The exercise price of each warrant in the first 12 months is \$0.35 per common share and in the final 12 months is \$0.45 per common share.

\*\* The exercise price of each warrant in the first 12 months is \$0.85 per common share and in the final 12 months is \$1.25 per common share.

Warrants outstanding at December 31, 2014 and June 30, 2014 are as follows:

Expiry Date	December 31, 2014		June 30, 2014	
	Number of Warrants Outstanding	Exercise Price	Number of Warrants Outstanding	Exercise Price
December 12, 2014	-	\$ 0.40	2,082,000	\$ 0.40
October 31, 2015	877,500	0.45	921,000	0.35/0.45
November 5, 2015	3,294,000	0.45	4,644,000	0.35/0.45
July 16, 2016	2,500,000	0.85/1.25	-	-
	6,671,500	\$ 0.35-1.25	7,647,000	\$ 0.35/0.45
Remaining Contractual Life (years)		1.10		1.11
Fair Value of Warrants Granted		\$0.06		\$0.00

# Clean Seed Capital Group Ltd.

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## 12. EQUITY AND RESERVES (continued)

### b) Share-based Payment Reserve (continued)

#### iv. Broker Warrants

On July 16, 2014, the Company completed a private placement in two tranches and granted 143,780 broker warrants upon closing. Each unit consisted of one common share and one share purchase warrant ("warrant"). The warrants are exercisable at \$0.60 per share for 18 months until they expire on January 16, 2016. The warrants were granted with a fair value calculated using the Black-Scholes model of \$50,323.

On October 31, 2013 and November 5, 2013, the Company completed a private placement in two tranches and granted 73,680 broker warrants upon closing. Each unit consisted of one common share and one share purchase warrant ("warrant"). The warrants are exercisable at \$0.35 per share for the first year and \$0.45 per share for the second year until they expire on October 31, 2015 and November 5, 2015 respectively. The warrants were granted with a fair value calculated using the Black-Scholes model of \$13,600.

The following table summarizes warrants activity for the six months period ended December 31, 2014 and the year ended June 30, 2014:

	Number of Broker Warrants	Weighted Average Exercise Price	Share-based Payment Reserve
Balance, June 30, 2013	-	\$ -	\$ -
Granted*	73,680	0.35/0.45	13,600
Balance, June 30, 2014	73,680	\$ 0.35/0.45	\$ 13,600
Granted	143,780	0.60	50,323
Balance, December 31, 2014	217,460	\$ 0.52	\$ 63,923

\* The exercise price of each warrant in the first 12 months is \$0.35 per common share and in the final 12 months is \$0.45 per common share.

Broker warrants outstanding at December 31, 2014 and June 30, 2014 are as follows:

	December 31, 2014		June 30, 2014	
Expiry Date	Number of Broker Warrants Outstanding	Exercise Price	Number of Broker Warrants Outstanding	Exercise Price
October 31, 2015	73,680	\$ 0.35/0.45	73,680	\$ 0.35/0.45
January 16, 2016	143,780	0.60	-	-
	217,460	\$ 0.35-0.60	73,680	\$ 0.35/0.45
Remaining Contractual Life (years)		0.97		1.34
Fair Value of Broker Warrants Granted		\$0.35		\$0.18

# Clean Seed Capital Group Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

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## 13. RELATED PARTY TRANSACTIONS & BALANCES

### a) Key management personnel

Compensation to key management, which consists of executives and directors, for the six month period ended December 31, 2014 and December 31, 2013 was as follows:

	<b>December 31, 2014</b>	December 31, 2013
Short-term employee benefits (wages and consulting fees)	<b>\$ 132,000</b>	\$ 125,000
	<b>\$ 132,000</b>	\$ 125,000

### b) Related party transactions

Transactions with related parties for the six month period ended December 31, 2014 and December 31, 2013 were as follows:

	<b>December 31, 2014</b>	December 31, 2013
Interest accrued on notes payable to a company controlled by the Chief Executive Officer	<b>\$ 3,663</b>	\$ 10,896
Interest accrued and foreign exchange impact on technology acquisition payable to a relative of the Chief Executive Officer of the Company	<b>\$ 11,295</b>	\$ 10,597
Lease expense paid for premises and vehicle and equipment rental to a company controlled by a Director and Officer of the Company, other than the Chief Executive Officer	<b>\$ 44,100</b>	-

### c) Related party balances

Amounts owed to related parties as at December 31, 2014 and June 30, 2014 were as follows:

	<b>December 31, 2014</b>	June 30, 2014
Notes payable to Marvelle Capital Corporation, a company controlled by the Company's Chief Executive Officer together with accrued interest (note 9)	<b>\$ 88,316</b>	\$ 177,279
Technology acquisition payable and accrued interest due to the father of the Company's Chief Executive Officer (note 10)	<b>\$ 299,389</b>	\$ 286,861
Amounts due to companies controlled by Directors and Officers of the Company, other than the Chief Executive Officer	<b>\$ 10,435</b>	\$ 114,247

# Clean Seed Capital Group Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

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## 14. COMMITMENTS

### Premises Leases

On February 3, 2011, the Company entered into a premises lease for its headquarters in Burnaby for a term of five years commencing on April 1, 2011. Fiscal year end base rent plus estimated operating costs over the remaining lease term are as follows:

2015	\$	36,600
2016		54,800
	\$	91,400

On January 1, 2014, the Company entered into a premises lease for its facility in Midale, Saskatchewan for a term of three years commencing on January 1, 2014. The Company pays rent of \$6,250 per month over the life of the lease which includes basic rent, operating costs and utilities. The lease can be terminated with two months' notice in the third year of the lease. Fiscal year end rent costs over the remaining lease term are as follows:

2015	\$	37,500
2016		50,000
	\$	87,500

## 15. COMPARATIVE FIGURES

Certain comparative figures have been reclassified in order to conform to the financial presentation adopted in the current period.

## 16. SUBSEQUENT EVENTS

Subsequent to the six month period ended December 31, 2014:

- The Company granted the option to acquire 10,000 common shares at a price of \$0.58 per year for a term of five years to an employee of the Company.
- The Company granted the option to acquire 50,000 common shares at a price of \$0.47 per year for a term of five years to a director of the Company.