CleanSeed
Capital Group Ltd.

# WELCOME TO OUR MANAGEMENT DISCUSSION & ANALYSIS

This management discussion & analysis ("MD&A") includes information that will help you understand management's perspective of our unaudited condensed consolidated interim financial statements and notes thereto for the six month period ended December 31, 2015. This information is based on what we knew on February 29, 2016. This MD&A includes statements and information about our expectations for the future and things that have not yet taken place. We highlight the section titled "Forward Looking Information" for further information.

We encourage you to read our condensed consolidated interim financial statements and notes as you review this MD&A as well as the audited consolidated financial statements and notes for the year ended June 30, 2015. You can find more information about Clean Seed, including our most recent filing on SEDAR, at www.sedar.com.

Unless we have otherwise specified, all dollar amounts are stated in Canadian dollars. The financial information included in this MD&A and in our consolidated financial statements and notes is prepared according to International Financial Reporting Standards (IFRS).

Throughout this document, the terms we, us, our, the Company and Clean Seed refer to Clean Seed Capital Group Ltd. and our wholly owned subsidiaries, Clean Seed Agricultural Technologies Ltd. and Seed Sync Systems Ltd.

## GENERAL

The Company is the creator and developer of the world's only Smart Seeder.

The Company was incorporated on January 28, 2010. On September 26, 2011, the Company (1) completed its IPO and (2) completed the acquisition of Vesco Agricultural Technologies Ltd. (subsequently renamed Clean Seed Agricultural Technologies Ltd.). On September 28, 2011, the Company began trading on the TSX-V under the symbol CSX. Since incorporating, the Company has received several awards for its innovation and has been recognized as a TSX Venture 50 Company two consecutive calendar years (2013 & 2014).

The Company has one reportable operating segment.

## INVESTOR INFORMATION

Common Shares

The Company's shares are traded on the Toronto Venture Exchange under the symbol CSX.

Transfer Agent

Computershare is the registrar and transfer agent for Clean Seed's common shares. For information on common shareholdings, lost share certificates and address changes, contact:

Computershare
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V6C 3B9, Canada
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## COMPANY OVERVIEW

Clean Seed was founded to facilitate progress in sustainable agriculture through the advancement of its proprietary no-till SMART technology. The Company acquired, designed, refined and developed its portfolio of intellectual property into technologies that balance innovation, agricultural productivity and sustainability. The Company is at the forefront of the smart agriculture revolution. The Company is now positioning itself to facilitate the global farming community's ability to efficiently meet the future agriculture production demand. The Company has evolved from award-winning innovator into the creator and developer of the world's only smart seeder.

In 2013, we focused on optimizing the seeding operation by developing the principles behind the world's first smart seeding technology, our electronic, wireless metering system. The metering system was awarded the People's Choice Innovation Award at the 2013 Farm Progress Show. In 2014, we developed the 60 foot fully operational CX-6 SMART Seeder and presented it at the 2014 Farm Progress Show where we were again awarded the People's Choice Innovation Award along with a Sterling Innovations Award. The CX-6 SMART Seeder has been designed to offer an unrivalled level of precision in modern no-till seeding and is a complete re-think of currently available air-seeding technology. In 2015, the Company entered into its production and distribution agreements whereby the first units of the CX-6 have been allocated over the next three years. At the 2015 Farm Progress Show we presented our partners and the results of our farm day demonstrations.

Technological advancements continue to impact every industry in a profound and meaningful way. No industry has a further reach or more basic human importance than agriculture. Without sufficient agricultural production there is not enough food for the world and meeting future agricultural demand will require revolutionary seeding technologies. While some industries have embraced the use of technology to advance their capabilities, the agricultural seeding equipment sector has remained stagnant leaving a significant opportunity for those who can address and solve the marketplace's existing limitations. Seeding is the best time in a plants' life to influence the physical, chemical and biological environment surrounding to impact its yield. To do so requires a new focus on supporting every plant inside every furrow with the agronomic formula it needs to reach its full potential. With the CX-6 Smart Seeder, farmers and agronomists for the first time can apply high-resolution prescriptions that place equal amount of seed, fertilizer and amendments inside each and every furrow. The seeding equipment marketplace will not ignore the opportunity to embrace technology based solutions, as the cost will be too high at both the micro and macro levels. A significant portion of the Company is owned by prairie-based commercial farmers which we believe is a strong indication of consumer level product support.

At the individual level, current seeding technology limitations have resulted in sub-optimal yields and overuse of farming inputs, reducing potential revenues while increasing farming operation costs. Crop production is vulnerable enough, and while weather will always be a key factor to success, the farmer should not have to compromise overusing inputs to capture additional revenues or missing out on maximizing revenues to maintain input efficiency. As it stands now, compromises are made across every square foot of the farm because the farmer's seeding equipment cannot satisfy the varied soil conditions of their field down to the square foot.

At the global level, seeding technology limitations constrain agricultural productivity. We are reaching a point globally where agricultural supply cannot keep up with agricultural demand. The seeding equipment used at the individual farm level leads to overconsumption of farming inputs. At the global level this leads to scarcity of inputs and limited global productivity. The trend is not changing. If consumption patterns do not change, agricultural production will need to increase by 60% (relative to 2005) to meet projected food demand in 2050. While this immediately raises concerns about the implications of widespread production shortages, it highlights the worldwide opportunity for a high-technology equipment provider that can improve yields sustainably to help the global farming community meet this increasing demand.

How can demand be met? Increased agricultural production demand must be met through higher yields because increasing the land used for agriculture carries major environmental costs. Most of the additional land that could be used for agriculture is under forests, wetlands or grasslands, and converting these to cropland would cause a loss of biodiversity, imbalance important ecological systems, reduce the effectiveness of ecosystem services and greatly increase greenhouse gas emissions.

The amount of farmland is not increasing at all; instead, it is declining based on Canadian census data. Farming operations that focus on short-term crop yield at the cost of soil health result in land that must be left fallow for extended periods to rehabilitate (and the time relationship between soil left fallow and soil being productive is not necessarily reciprocal). In order to meet the increasing demand for food, we need to combine productive land with technologies that enhance yields on a continuous, sustainable basis.

The sustainable long-term solution is to farm **smarter**. Technological advancement will facilitate smarter farming, and Clean Seed is at the forefront of technology-based seeding solutions. **The Company has worked relentlessly to create revolutionary sustainable farming technology that will change how farmers can seed operations. The CX-6 SMART Seeder is a game changing seeding technology that provides efficient and effective seeding operations. This is the CX-6 SMART Seeder.**

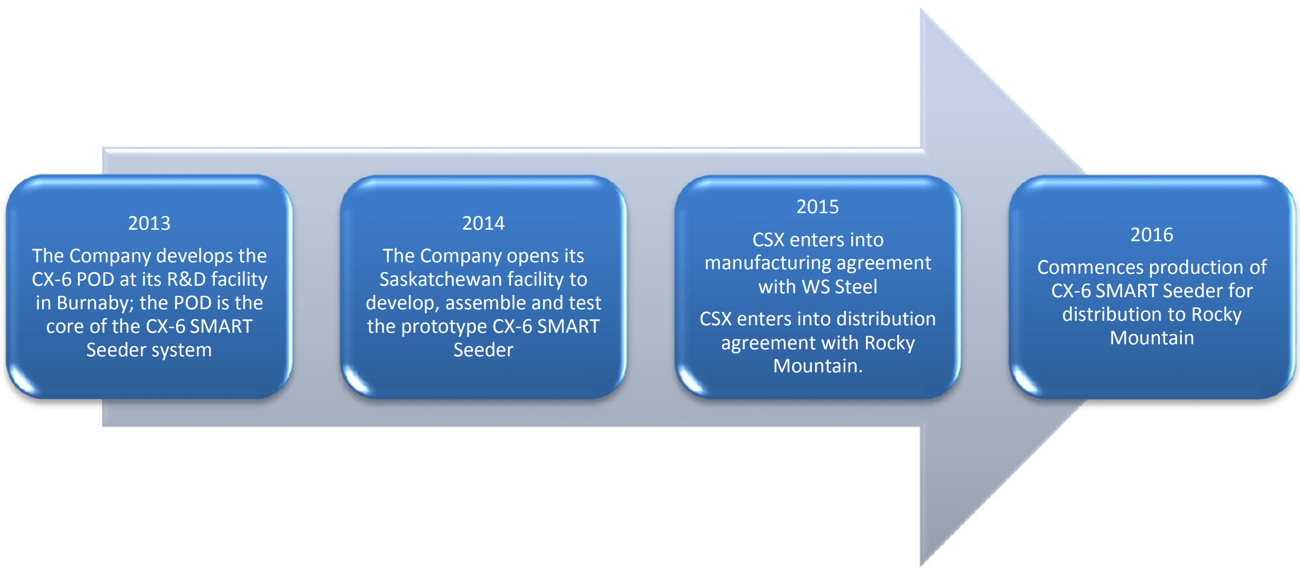
**2016 Outlook**

The Company is anticipating the following key activities for the 2016 fiscal year:

- initiating purchase orders for the first CX-6 Smart Seeder units
- delivering its first year orders of the CX-6 Smart Seeder to Rocky Mountain Equipment in the spring of 2016
- preparing for expanded production for its 2017 production year model
- submitting patent applications for CX-6 Smart Seeder to targeted countries
- submitting applications under the patent cooperation treaty to assess if there would be clear passage to submit additional patent applications for software and hardware innovations

The Company is on track to meet its targets for the 2016 fiscal year. During the first quarter of the 2016 fiscal year, the Company also completed a $1.8M private placement and has received $997,348 through the exercise of warrants (and an additional $36,668 subsequent to December 31, 2015).

**CX-6 Smart Seeder Sales & Production**



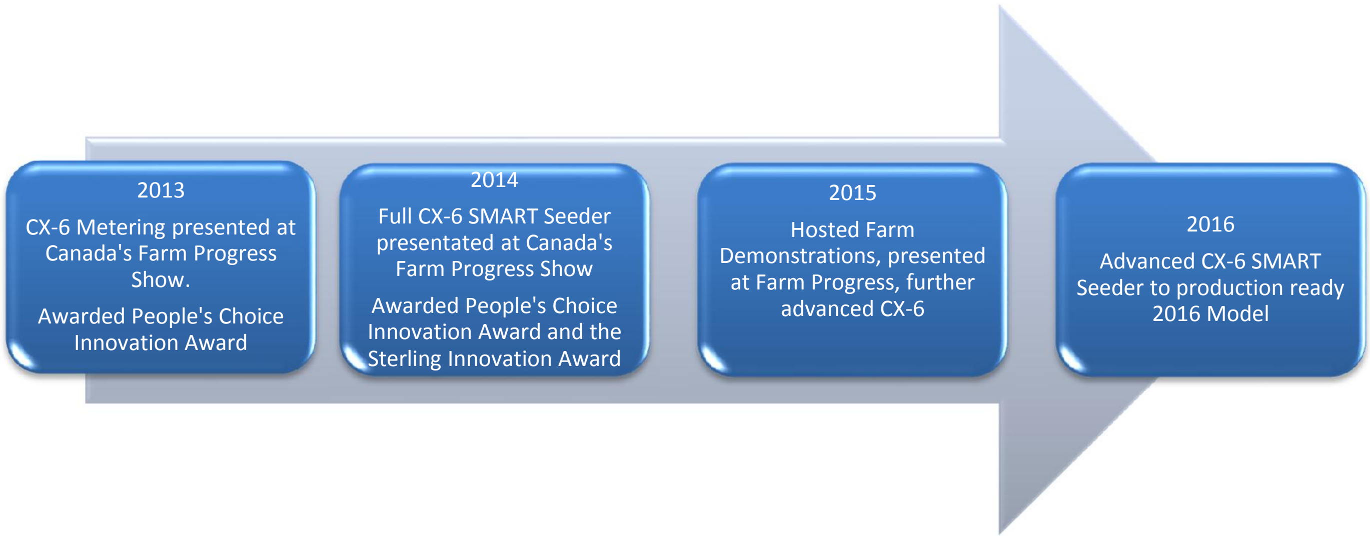

The Company has entered into a Distribution Agreement with Rocky Mountain Dealerships Inc. whereby Rocky Mountain will manage exclusive sales areas with agreed upon sales commitments for the CX-6 SMART Seeder over a three year renewable period. The initial CX-6 order commitment for 2016 will be for key locations in Alberta, Saskatchewan and Manitoba. Rocky Mountain will sell and demonstrate our product at all 33 of its agricultural retail location in Western Canada starting in 2017.

On April 23, 2015, the Company entered into a manufacturing agreement with WS Steel Ltd., a Manitoba-based, Canadian manufacturer with a twenty-five year history as a component and final assembly provider for agricultural equipment brands of all sizes from small emerging companies to fortune 500 companies. WS Steel will be manufacturing the Company's first 100 CX-6 units over a three year period. The scope of the project may expand beyond the first 100 units with plans already in place to prepare for the production of more CX-6 SMART Seeder machines and development of alternative models for other markets.

The Company intends to complete a distribution agreement with Cervus Equipment Inc. The Company previously entered into a preliminary distribution partnership agreement which has expired but the parties continue to work towards the final distribution agreement under those terms in the preliminary distribution agreement. This preliminary distribution partnership agreement was based on Cervus managing sales of the CX-6 Smart Seeder in North Central Saskatchewan.

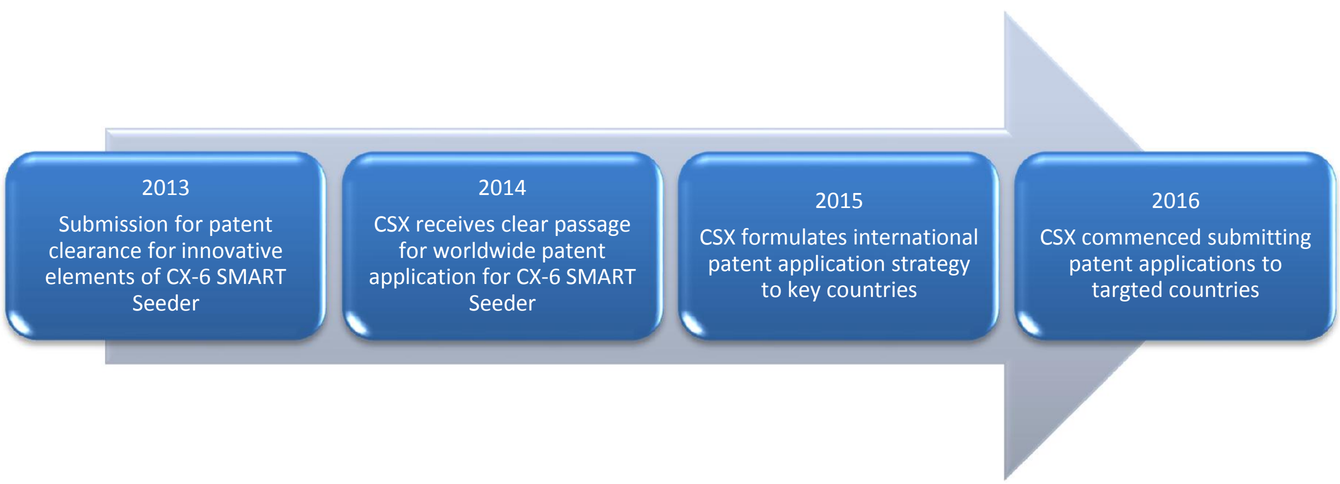
The Company continues to explore opportunities to work collaboratively with likeminded corporations as part of the efforts to build Clean Seed into a major player in the agricultural industry and achieve worldwide distribution of its products. The Company remains committed to the guiding principles of innovation on which it was founded.

## CX-6 SMART Seeder Advancement




Since its conceptualization, the CX-6 SMART Seeder has been an award winning innovation, attracting favourable attention from the farming community, agriculture industry, investment community and media. As Clean Seed has developed and refined the CX-6 SMART Seeder, the Company has transitioned to providing on-farm demonstrations for key opinion leaders, distributors and potential partners. The Company will be shipping the first units of the CX-6 Smart Seeder during the 2016 fiscal year and applying advancements to the 2017 production model.

## Intellectual Property




The Clean Seed international patent application has reached the national and regional phase. The corresponding patent applications having been filed with the Patent Offices in the countries and regions chosen by Clean Seed. No prior art patents or publications were cited against the Clean Seed international patent application during the international search, and none have been cited to date in the various Patent Offices in the national and regional phase.

## COMPANY PRODUCTS

**Commercial Farming is Big Business**

Farming is big business, and the number of large commercial farms (1,600+ acres) in Canada continues to increase while the total land actively farmed in Canada has decreased. Growing global agricultural demand will not be met by farming more land; rather, it will be met by savvy commercial farming operations that have the scale and capability to adopt new technologies and methodologies to increase yield. Large-scale commercial farming is not a widely distributed trade. In Canada, 11% of all farms account for 68% of all farming income, meaning that the savvy few operators control the majority of Canadian farming revenues.

**Marketplace for Seeding Equipment**

All crop-based farming operations require seeding equipment. The overwhelming majority of North American commercial crop farms use air seeders. In 2006, 14,000 air seeders were in use in the Northern Great Plains area (Canada and the United States). Since that time we believe the number has more than doubled when including all of Canada and the United States.

Air seeders are far from perfect. There are inherent limitations with the air seeders currently available in the market, including their product metering and distribution systems, and their product logistics and delivery systems. All competing air seeders on the market use air distribution to move seed and fertilizer across the drill (or sections of the drill). This leads to inaccurate product distribution across the drill and inside each furrow as seeds bunch and leaves gaps.

Product metering and distribution refers to how the seeding equipment places farming inputs into the ground. Traditional air seeders do not have the flexibility to allow the farmer to put farming inputs into the ground across each square foot of the field as they wish. This means the farmer has to compromise with input blends and product application levels, leading to lost revenues or increased product application rates (costs), or an uneconomic combination of both.

Product logistics and delivery refers to how the farming inputs get from the seeding equipment to the source. Traditional air seeders require significant downtime to reload farming inputs and have significant issues that limit their use of more than three farming inputs. If the farmer cannot blend inputs to the capabilities of the machine (and field requirements), there is compromise in terms of yield generation against product application. The downtime is expensive in terms of on-farm labour and lost operations

**The CX-6 SMART Seeder is NOT a Typical Air Seeder**

The Company has taken an innovative approach to develop a high-tech, precision-driven smart seeder to provide the farmer with an efficient and effective farming operation. To date, the limiting factor of the seeding operation has been the equipment used by the farmer. With the CX-6, the limiting factor of the operation will be what the soil allows, meaning the CX-6 will allow the farmer to reach the true potential of their field. The CX-6 SMART Seeder has been developed to resolve issues the traditional air seeder cannot through its patent-protected metering and product logistics systems.

Current Technology vs. the Design of the CX-6 SMART Seeder

| | Current Air Seeders | | CX-6 SMART Seeder |
|---|---|---|---|
| Flawless integration with soil maps | No | | Yes |
| Plant level metering at each opener | No | | Yes |
| 6 product handling capability | No | | Yes |
| Turn compensation for non linear travel | No | | Yes |
| Fully electronic | No | | Yes |
| Wireless in-cab controls | No | | Yes |
| Seed bounce | Yes | | No |
| Inconsistent product placement | Yes | | No |
| Uniform distribution | No | | Yes |
| On-the-go refilling | No | | Yes |

The Company will continue to validate the impact created from adopting the CX-6 SMART Seeder. Based on internal calculations, the incremental benefits from using the CX-6 could as high as $100 per acre. This is still forward-looking information that has not yet been verified, however, any significant incremental benefit compared to the marketplace will differentiate the CX-6 SMART Seeder from the competition. Once it is verified that adopting the CX-6 creates significant incremental benefits compared to existing air-seeding technology, the commercial farming community will not be able to ignore the value proposition of the CX-6 SMART Seeder. At the individual farm level, the cost to the operation of not adopting will be too significant, and at the global level, the requirement for increased production will be too vast.

The marketplace has indicated that the CX-6 will be a high-demand product. The historical results from seeding equipment launched by Canadian companies indicate that the Canadian prairies are receptive to agricultural innovation. We believe the CX-6's competitive advantages create the opportunity for the Company to replicate and surpass the previous debuts of other Canadian seeding technologies.

**Other Products**

The Company has three other products that have been completed and are ready for sale. To date, the Company has not marketed sale of any of these machines, due to the focus on the CX-6, the Company is not actively pursuing sales arrangements for those machines but intends to do so in the future. Based on the smaller size of the products, the Company would need to achieve wide-scale distribution, which would require infrastructure and support requirements that the Company is neither currently prepared to create, develop or acquire, nor has the funds available to pursue. However, once the Company has commercialized the CX-6 SMART Seeder, it may have the infrastructure in place so that the distribution of these other products could become beneficial. The Company does not anticipate any material sales to be generated from these other products until after the commercialization of the CX-6 SMART Seeder. More information on these products can be found at www.cleanseedcapital.com.

**Clean Seed Developing Nations**

The Company has suspended its developing nation's efforts to focus solely on the launch of its CX-6 SMART Seeder. The Company continues to believe there are good agriculture opportunities in developing nations because of market inefficiencies and challenges encountered from applying traditional agriculture practices. Many developing countries are using either un-mechanized agriculture practices or antiquated farming equipment that has been retired from developed nations and donated via aid assistance. This, combined with delicate soil conditions, has led to unproductive fallow farming operations, domestic farming deficits and inability for these developing nations to provide food security for their residents. It is the Company's ambition to be able to play a meaningful role in an agriculture renaissance in developing nations, but the Company cannot do so without joint venture partners and sufficient sources of non-dilutive financing. The Company has no timeline for re-starting its developing nations program and has no planned expenditures for the upcoming fiscal year at this time.

## RESULTS OF OPERATIONS

### Six Months Ended December 31, 2015

During the six month period ended December 31, 2015, the net and comprehensive loss was $693,279 ($0.02 per share) compared to net and comprehensive loss of $650,614 ($0.02 per share) for the six month period ended December 31, 2014. The amount of expenses related to income statement classified expenses in the two periods increased mainly due to higher personnel expenses despite lower professional and travel and trade show expenses. Overall, the Company's total expenditures (including capitalized amounts) were slightly higher in 2015 as a result of increased development personnel and consultancy services related to product development & testing activities, including strategizing the production, sales, distribution and launch of the CX-6 SMART seeder.

| | Six Months Ended December 31, 2015 | Six Months Ended December 31, 2014 | $ Change | % Change |
|---|---|---|---|---|
| Amortization of property and equipment | $ **18,149** | $ 13,203 | $ 4,946 | 37% |
| Development | **3,060** | - | 3,060 | ~% |
| Foreign exchange loss | **22,035** | 24,536 | (2,501) | -10% |
| Interest on loans | **12,785** | 15,103 | (2,318) | -15% |
| Office and miscellaneous | **44,073** | 34,311 | 9,762 | 28% |
| Personnel | **266,947** | 163,642 | 103,305 | 63% |
| Premises | **41,250** | 40,697 | 553 | 1% |
| Professional | **131,790** | 165,041 | (33,251) | -20% |
| Share-based compensation | **120,100** | 108,000 | 12,100 | 11% |
| Travel and trade shows | **33,090** | 86,081 | (52,991) | -62% |
| | $ **693,279** | $ 650,614 | $ 42,665 | 7% |

Significant operating expenses and variations of operating expenses incurred during the six month period ended December 31, 2015, as compared to the six month period ended December 31, 2014 include:

| Office and Miscellaneous | 2015 | 2014 | Change ($) | Change (%) |
|---|---|---|---|---|
| Expense | $ 44,073 | $ 34,311 | $ 9,762 | 28% |

Office and miscellaneous costs relate to filing fees, telephone, office supplies and miscellaneous other charges. The increase from the prior period is the result of variability of timing of miscellaneous expenses for the current period as compared to the prior period.

| Personnel | 2015 | 2014 | Change ($) | Change (%) |
|---|---|---|---|---|
| Expense | $ 266,947 | $ 163,642 | $ 103,305 | 63% |

Personnel expense on the income statement increased compared to the same period in the previous year due to both an increases in salary rates paid and to the number of personnel retained by the Company as it advanced to production.

The Company incurred total personnel fees during the period ended December 31, 2015 as follows:

| 2015 | Personnel Count | Expense for the Period | Government Grant | Allocation on Financial Statements |
|---|---|---|---|---|
| Executives | 2 | $ 140,000* | - | Personnel |
| Administration | 3 | $ 81,000 | - | Personnel |
| Marketing | 1 | $ 42,000 | - | Personnel |
| Technical | 10 | $ 343,000* | $ 48,000 | Intellectual Property |
| | 16 | $ 606,000 | $ 48,000 | |

Note: Amounts were allocated to personnel and intellectual property, net of the government grant
* includes one-time bonuses paid to certain personnel

The Company incurred total personnel fees during the period ended December 31, 2014 as follows:

| 2014 | Personnel Count | Expense for the Period | Government Grant | Allocation on Financial Statements |
|---|---|---|---|---|
| Executives | 2 | $ 56,000 | - | Personnel |
| Administration | 5 | $ 108,000 | - | Personnel |
| Marketing | 1 | $ 30,000 | - | Personnel |
| Technical | 6 | $ 184,000 | $ 23,000 | Intellectual Property |
| | 14 | $ 378,000 | $ 23,000 | |

Note: Amounts were allocated to personnel and intellectual property, net of the government grant

The allocation of personnel fees during the period was:

| | | |
|---|---|---|
| Personnel | - | $ 267,000 (2014: $164,000) |
| Intellectual Property | - | $ 291,000 (2014: $191,000) |

The Company received government grants of $48,000 (2014: $23,000) from the Industrial Research Application Program (IRAP) under the National Research Council of Canada to subsidize the costs of certain members of our technical team.

| **Professional** | **2015** | **2014** | **Change ($)** | **Change (%)** |
|---|---|---|---|---|
| Expense | $ 131,790 | $ 165,041 | $ (33,251) | (20%) |

Professional fees include legal advisors, auditor fees, business valuation services, corporate finance advisory services, media distribution, market development consultancy services, investor relations services and investor market distribution services. During 2015, the Company had significantly lower professional expense as compared to the prior period due to the discontinuation of media distribution services firm, corporate finance advisory firm and a reduction in the services retained of an investor relations firm.

| **Share-based compensation** Expense | **2015** | **2014** | **Change ($)** | **Change (%)** |
|---|---|---|---|---|
| | $ 120,100 | $ 108,000 | $ 12,100 | 20% |

The share based compensation expense is related to the grant of incentive stock options in accordance with the Company's Stock Option Plan. The Company granted less stock options, but at a higher fair value during the six month period ended December 31, 2015 than in the same period in 2014. The options were granted as follows:

| | **2015** | | **2014** | |
|---|---|---|---|---|
| | **# of Options** | **Fair Value of Options** | **# of Options** | **Fair Value of Options** |
| Employees | 30,000 | $ 6,600 | 150,000 | $ 33,000 |
| Directors and Officers | 150,000 | $ 43,500 | - | $ - |
| Consultants * | 250,000 | $ 70,000 | 300,000 | $ 75,000 |
| | 430,000 | $ 120,100 | 450,000 | $ 108,000 |
| Average Fair Value per Option Granted | | $0.28 | | $0.24 |

See note 14(b) to the consolidated financial statements for more information about stock based compensation.

| **Travel and Trade Shows** | **2015** | **2014** | **Change ($)** | **Change (%)** |
|---|---|---|---|---|
| Expense | $ 33,090 | $ 86,081 | $ (52,991) | (62%) |

The decrease from the prior period is the result of a decrease in travel activity to evaluate business opportunities, attend trade & capital investment shows, present at trade shows and for general business purposes with respect to evaluating production and distribution opportunities as the Company has advanced forward into production.

### Three Months Ended December 31, 2015

During the three month period ended December 31, 2015, the net and comprehensive loss was $412,562 ($0.01 per share) compared to net and comprehensive loss of $288,383 ($0.01 per share) for the three month period ended December 31, 2014. The amount of expenses related to income statement classified expenses in the two periods increased mainly due to higher personnel, professional and share-based compensation expenses despite lower travel and trade show expenses. Overall, the Company's total expenditures (including capitalized amounts) were slightly higher in 2015 as a result of increased development personnel and consultancy services related to product development & testing activities, including strategizing the production, sales, distribution and launch of the CX-6 SMART seeder.

| | Three Months Ended December 31, 2015 | Three Months Ended December 31, 2014 | $ Change | % Change |
|---|---|---|---|---|
| Amortization of property and equipment | $ **11,154** | $ 7,409 | $ 3,745 | 51% |
| Development | **1,143** | - | 1,143 | ~% |
| Foreign exchange loss | **(975)** | 10,670 | (11,645) | -109% |
| Interest on loans | **4,604** | 7,432 | (2,828) | -38% |
| Office and miscellaneous | **28,022** | 22,180 | 5,842 | 26% |
| Personnel | **202,026** | 82,433 | 119,593 | 145% |
| Premises | **21,245** | 20,465 | 780 | 4% |
| Professional | **88,684** | 69,261 | 19,423 | 28% |
| Share-based compensation | **43,500** | 15,000 | 28,500 | 190% |
| Travel and trade shows | **13,159** | 53,533 | (40,374) | -75% |
| | $ **412,562** | $ 288,383 | $ 124,179 | 43% |

Significant operating expenses and variations of operating expenses incurred during the three month period ended December 31, 2015, as compared to the three month period ended December 31, 2014 include:

| **Office and Miscellaneous** | **2015** | **2014** | **Change ($)** | **Change (%)** |
|---|---|---|---|---|
| Expense | $ 28,022 | $ 22,180 | $ 5,842 | 26% |

Office and miscellaneous costs relate to filing fees, telephone, office supplies and miscellaneous other charges. The increase from the prior period is the result of variability of timing of miscellaneous expenses for the current period as compared to the prior period.

| **Personnel** | **2015** | **2014** | **Change ($)** | **Change (%)** |
|---|---|---|---|---|
| Expense | $ 202,026 | $ 81,209 | $ 119,593 | 145% |

Personnel expense on the income statement increased compared to the same period in the previous year due to both an increases in salary rates paid and to the number of personnel retained by the Company as it advanced to production.

The Company incurred total personnel fees during the period ended December 31, 2015 as follows:

| **2015** | **Personnel Count** | **Expense for the Period** | **Government Grant** | **Allocation on Financial Statements** |
|---|---|---|---|---|
| Executives | 2 | $ 108,000* | - | Personnel |
| Administration | 3 | $ 45,000 | - | Personnel |
| Marketing | 1 | $ 18,000 | - | Personnel |
| Technical | 10 | $ 134,000* | $ 24,000 | Intellectual Property |
| | 16 | $ 329,000 | $ 24,000 | |

Note: Amounts were allocated to personnel and intellectual property, net of the government grant
* includes one-time bonuses paid to certain personnel

The Company incurred total personnel fees during the period ended December 31, 2014 as follows:

| **2014** | **Personnel Count** | **Expense for the Period** | **Government Grant** | **Allocation on Financial Statements** |
|---|---|---|---|---|
| Executives | 2 | $ 26,000 | - | Personnel |
| Administration | 5 | $ 74,000 | - | Personnel |
| Marketing | 1 | $ 15,000 | - | Personnel |
| Technical | 6 | $ 84,000 | $ 13,000 | Intellectual Property |
| | 14 | $ 199,000 | $ 13,000 | |

Note: Amounts were allocated to personnel and intellectual property, net of the government grant

The allocation of personnel fees during the period was:

| | | |
|---|---|---|
| Personnel | - | $ 202,000 (2014: $83,000) |
| Intellectual Property | - | $ 103,000 (2014: $103,000) |

The Company received government grants of $24,000 (2014: $13,000) from the Industrial Research Application Program (IRAP) under the National Research Council of Canada to subsidize the costs of certain members of our technical team.

| **Professional** | **2015** | **2014** | **Change ($)** | **Change (%)** |
|---|---|---|---|---|
| Expense | $ 43,106 | $ 95,780 | $ (52,674) | (20%) |

Professional fees include legal advisors, auditor fees, business valuation services, corporate finance advisory services, media distribution, market development consultancy services, investor relations services and investor market distribution services. During 2015, the Company had significantly lower professional expense as compared to the prior period due to the discontinuation of media distribution services firm, corporate finance advisory firm and a reduction in the services retained of an investor relations firm.

| **Share-based compensation** Expense | **2015** | **2014** | **Change ($)** | **Change (%)** |
|---|---|---|---|---|
| | $ 76,600 | $ 93,000 | $ (16,400) | (18%) |

The share based compensation expense is related to the grant of incentive stock options in accordance with the Company's Stock Option Plan. The Company granted more stock options during the three month period ended December 31, 2015 than in the same period in 2014. The options were granted as follows:

| | **2015** | | **2014** | |
|---|---|---|---|---|
| | **# of Options** | **Fair Value of Options** | **# of Options** | **Fair Value of Options** |
| Employees | - | $ - | 75,000 | $ 15,000 |
| Directors and Officers | 150,000 | $ 43,500 | - | $ - |
| Consultants * | - | $ - | - | $ - |
| | 150,000 | $ 43,500 | 75,000 | $ 15,000 |
| Average Fair Value per Option Granted | | $0.29 | | $0.20 |

See note 14(b) to the consolidated financial statements for more information about stock based compensation.

| **Travel and Trade Shows** | **2015** | **2014** | **Change ($)** | **Change (%)** |
|---|---|---|---|---|
| Expense | $ 19,931 | $ 32,548 | $ (12,617) | (39%) |

The decrease from the prior period is the result of a decrease in travel activity to evaluate business opportunities, attend trade & capital investment shows, present at trade shows and for general business purposes with respect to evaluating production and distribution opportunities as the Company has advanced forward into production.

## Quarterly Results

| Quarter Ended | Revenue ($) | Net Income / (Loss) ($) | Basic & Diluted Loss Per Share ($) | Total Assets ($) | Long-Term Liabilities ($) | Cash Dividend ($) |
|---|---|---|---|---|---|---|
| December 31, 2015 | - | (412,562) | (0.01) | 8,443,838 | - | - |
| September 30, 2015 | - | (280,717) | (0.01) | 8,318,723 | - | - |
| June 30, 2015 | - | (285,126) | (0.01) | 6,540,794 | - | - |
| March 31, 2015 | - | (311,617) | (0.01) | 6,473,034 | - | - |
| December 31, 2014 | - | (288,383) | (0.01) | 6,671,481 | - | - |
| September 30, 2014 | - | (362,231) | (0.01) | 6,378,681 | - | - |
| June 30, 2014 | - | (382,013) | (0.01) | 5,761,929 | - | - |
| March 31, 2014 | - | (452,634) | (0.03) | 5,224,974 | - | - |

Key things to note:

- Individual quarterly results are not necessarily a good indication of annual results due to variations in expenditures as noted throughout this document
- Total assets will fluctuate depending on the activities during the quarter, including, significant financings and if the expenditures qualify for classification as an asset

## LIQUIDITY & CAPITAL RESOURCES

The Company's historical capital needs have been met by raising funds through the issuance of equity and debt instruments. As of December 31, 2015, the Company had cash (and cash equivalents) of $1,184,787, while its total debt amounted to $263,632. During the six months ended December 31, 2015, the Company closed a private placement for gross proceeds of $1,796,800. The Company believes that these additional funds will be sufficient to meet its on-going operations, its current obligations and its planned activities for the remainder of the 2016 fiscal year. During 2016, we expect to commence production & distribution of the CX-6 SMART Seeder and the Company may require working capital financing to support its production and sales cycle depending on the volume of sales achieved. If the Company does not obtain additional financing during the 2016 fiscal year, it will certainly require working capital financing in future years to support sales and production growth. The Company has stock options and warrants outstanding which could if exercised, would provide additional cash for the Company.

To date, the Company has had the following warrant activities:

| Warrant Issuance | Exercise Price | Warrants Exercised | Warrants Expired | Warrants Outstanding |
|---|---|---|---|---|
| Dec 2012 | $0.30 / $0.40 | 868,000 | 1,682,000 | - |
| Oct 2013 | $0.35 / $0.45 | 4,194,500 | 1,410,500 | - |
| Jul 2014 | $0.85 / $1.25 | - | - | 2,500,000 |
| Sept 2015 | $0.60 | - | - | 2,246,000 |

The activities above translated to proceeds on exercise, or proceeds not received, as follows:

| Warrant Issuance | Exercise Price | Proceeds Received from Warrants Exercised | Proceeds Not Received from Warrants Expired | Potential Proceeds from Warrants Outstanding |
|---|---|---|---|---|
| Dec 2012 | $0.30 / $0.40 | $323,000 | $672,800 | - |
| Oct 2013 | $0.35 / $0.45 | $1,744,175 | $634,725 | - |
| Jul 2014 | $0.85 / $1.25 | - | - | $ 3,125,000 |
| Sept 2015 | $0.60 | - | - | $ 1,347,600 |

Subsequent to December 31, 2015, the Company received an additional $6,000 from the exercise of options and $30,668 from the exercise of broker warrants.

The continuation of the Company as a going concern is dependent on its ability to attain future profitable operations and/or obtain additional equity capital or debt financing to finance future operations as required. During 2016, the Company does not expect to generate profitable operations due to the limited production volume and revenue generating activities expected. Depending on the actuality of any future warrant exercises and their timing, the Company may need to raise additional funds in order to continue as a going-concern, or to fund its working capital requirements to build inventory, until we reach the point of generating sufficiently profitable operations to meet our operating requirements. If the Company cannot generate profitable operations, it will continue to need to raise funds to continue as a going-concern. Should the Company be unable to continue as a going concern, the realization of assets may be at amounts significantly less than carrying values.

## Share Structure

As at February 29, 2016, the Company's share structure, basic and fully diluted, is shown below. While there is no guarantee that warrant and option holders will exercise their warrants or options prior to expiry, any such warrant or option exercises that do occur would provide additional funding to the Company as indicated below:

| | Number of Instruments Outstanding | Weighted Average Exercise Price | Potential Proceeds from Exercise | Weighted Average Remaining Life of Derivative (years) |
|---|---|---|---|---|
| **Common Shares** | 43,524,521 | - | - | - |
| **Incentive Options** | 3,790,000 | $ 0.38 | $ 1,449,300 | 2.54 |
| **Agent Warrants** | 282,602 | $ 0.40 | $ 113,041 | 0.69 |
| **Warrants - issued fiscal 2015** | 2,500,000 | $ 1.25 | $ 3,125,000 | 0.38 |
| **Warrants - issued fiscal 2016** | 2,246,000 | $ 0.60 | $ 1,347,600 | 1.53 |
| | 52,343,123 | | $ 6,034,941 | |

*Financial Condition*

| | December 31, 2015 ($) | June 30, 2015 ($) | Change ($) | Change (%) |
|---|---|---|---|---|
| **Cash and Cash Equivalents** | 1,184,787 | 178,968 | 1,005,819 | 562% |
| **Cash used by Operations*** | 977,559 | 912,040 | 65,519 | 7% |
| **Total Debt of the Company** | 263,632 | 924,292 | (660,660) | -72% |
| **Working Capital (Deficit)** | 1,358,847 | (708,417) | 2,067,264 | 205% |
| **Debt as a % of Total Capitalization**** | 3.1 | 14.1 | (11.0) | -78% |

* The current period is only a six month period. The prior year is a full year period. The comparison is different time periods.

** Total capitalization refers to total debt and shareholders' equity as shown on the Company's Consolidated Balance Sheet.

*Liquidity*

| | Six Months Ended December 31, 2015 | 2014 |
|---|---|---|
| **Cash, cash equivalents,** beginning of period | **$ 178,968** | $ 474,198 |
| **Cash used by operations** | **(977,559)** | (524,273) |
| **Investing activities** | | |
| Enhancements to intellectual property, net of government grants | **(409,196)** | (350,888) |
| Purchases of equipment | **(51,681)** | (22,388) |
| **Financing activities** | | |
| Net proceeds from issuances of shares | **2,657,966** | 1,526,905 |
| Net issuances and repayments of debt instruments and interest | **(213,711)** | (114,929) |
| **Cash, cash equivalents,** end of period | **$ 1,184,787** | $ 988,625 |

### Cash used by operations

Cash used by operations was 69% higher in the six month period ended December 31, 2015 as compared to the same period in 2014 mainly due to a deposit paid (prepaid expenses) for the manufacture of three CX-6 Smart Seeders as well as the purchase of raw materials for the same machines.

| | | Six Months Ended December 31, 2015 | | 2014 |
|---|---|---|---|---|
| **Net loss for the period** | **$** | **(693,279)** | $ | (650,614) |
| **Adjustments for items not affecting cash** | | | | |
| Amortization of property and equipment | | **18,149** | | 13,203 |
| Foreign exchange | | **22,035** | | 24,536 |
| Interest on loans | | **12,264** | | 13,958 |
| Share-based compensation | | **120,100** | | 108,000 |
| **Expenditures from the income statement adjusted for items not affecting cash** | | **(520,731)** | | (490,917) |
| **Changes in non-cash working capital items** | | | | |
| Receivables | | **(24,507)** | | 18,994 |
| Inventory | | **(62,500)** | | - |
| Prepaid expenses | | **(313,778)** | | (36,476) |
| Due to related parties | | **(91,324)** | | (118,122) |
| Accounts payable and accrued liabilities | | **35,281** | | 102,248 |
| | | **(456,828)** | | (33,356) |
| **Cash used by operations** | **$** | **(977,559)** | $ | (524,273) |

Reflection

We have anticipated that our cash flows used in operations for the year ended June 30, 2016 will be 15%-25% higher than the same period in 2015, prior to any changes in non-cash working capital. There was a slight increase before any changes in non-cash working capital for the six months ended December 31, 2015. This increase can be attributed to increased personnel costs which were offset by decreased professional costs and decreased travel costs.

Outlook

We still anticipate the cash flows used in operations for 2016 will increase by 15% - 25% prior to any changes in non-cash working capital. The increase in cash flows from operations will be used to retain and acquire personnel, support administration of the Company’s sales and marketing efforts and support its distribution and manufacturing arrangements.

## Investing activities

Cash used in investing activities consists of capital spending and intellectual property.

*Enhancements to Intellectual Property*

The Company capitalizes expenditures to enhance its intellectual property when it meets the definition of an asset pursuant to the accounting requirements for bettering an intangible asset. The amounts capitalized consist of the cost of technical staff, parts, materials, travel and testing. These expenditures are netted against any recoveries the Company can receive through grants from the Industrial Research Application Program, or other potential programs in the future. During the six months ended December 31, 2015, the Company recovered $32,000 from such grants as compared with $29,200 during the same period in 2014. The increase in spending during 2015 from the previous period, reflect higher amounts of labour spending due to higher salaries for the period.

Below is a summary of enhancements to intellectual property during the period:

| | Six Months Ended December 31, 2015 | Six Months Ended December 31, 2014 |
|---|---|---|
| Personnel | **$ 291,261** | $ 191,265 |
| Purchases | **102,782** | 87,338 |
| Development | **-** | 17,889 |
| Premises | **45,300** | 51,425 |
| Vehicle | **6,600** | 6,600 |
| Travel | **16,965** | 30,429 |
| Enhancements to Intellectual Property | **$ 462,908** | **$** 384,946 |

### Reflection

At the outset of the 2016 fiscal year we expected investing expenditures for enhancements to intellectual property to decrease by 20% for the 2016 fiscal year as we believed the major purchases had already been made, however, due to the nature of the pre-commercialization of the CX-6, expenditures have differed from our expectations. During the six months ended December 31, 2015, the Company was not as active with field testing and enhancements of the CX-6 and the expenditures were slightly lower than during the same period in 2014. However, the personnel enhancements increased due to higher salaries and additional hours retained for certain additional personnel to prepare the 2016 CX-6 Smart Seeder production model.

### Outlook

We had expected investing expenditures for enhancements to intellectual property to decrease by 20% for the 2016 fiscal year as we expected the amount of purchasing required to be less than 50% of the amount required for 2015 due to the nature of development work planned for 2016. We continue to believe the amount will be approximately 20% less than the 2015 fiscal year as the majority of those development expenditures had occurred during Q3 & Q4 of 2015. Due to the nature of commercialization and development activities, expenditures could substantially differ from our expectations.

*Purchases of Equipment*

The purchase of equipment was related to computer software, computer hardware and shop equipment during the six months ended December 31, 2015 and leasehold improvements, computer software and computer equipment during the six months ended December 31, 2014.

Reflection

We expected investing expenditures for purchases of equipment to increase 75% in fiscal 2016 as compared to fiscal 2015 due to the acquisition of certain equipment. The amounts during the six months ended December 31, 2015 were actually much lower than the same period in 2014 as additional equipment was acquired as a lease.

Outlook

We still expect investing expenditures for purchases of equipment to increase 75% in fiscal year 2016 as compared to fiscal year 2015 as the Company will be purchasing additional production molds during 2016. Depending on the future production and distribution strategy this could become a larger expenditure area for the Company in future years.

## Financing activities

Cash from financing activities consists primarily of funds raised from the issuance of shares. See the consolidated statement of cash flows in our December 31, 2015 condensed consolidated interim financial statements for detail.

## Contractual Obligations

| Contractual Obligations as at December 31, 2015 | Payments Due by Period Total | Less than 1 Year | 1-3 Years | 4-5 Years | After 5 Years |
|---|---|---|---|---|---|
| Accounts Payable | $ 250,239 | $ 218,298 | $ 16,221 | $ 15,720 | $ - |
| Due to Related Parties | 13,393 | 13,393 | - | - | - |
| Notes Payable to Related Party | - | - | - | - | - |
| Technology Acquisition Payable | - | - | - | - | - |
| Operating Lease | 30,776 | 30,776 | - | - | - |
| Other Commitments | - | - | - | - | - |
| **Total Contractual Commitments** | **$ 294,408** | **$ 262,467** | **$ 16,221** | **$ 15,720** | **$ -** |

The Company has no other commitments for capital or operating expenditures, other than disclosed above.

Accounts payable and due to related parties consist of trade payables incurred in the normal course of business.

The notes payable to related party above are due at the time the Company raises an aggregate of at least $8,875,000 through the sale of equity or debt including the initial public offering. On September 8, 2015, the Company exceeded the $8,875,000 threshold and subsequently the amount was repaid, extinguishing the outstanding promissory notes.

On November 17, 2015 the Company settled $300,956 of accounts payable and technology acquisition payable through the issuance of 589,528 shares.

## Balance Sheet

| | December 31, 2015 ($) | June 30, 2015 ($) | Change ($) | Change (%) |
|---|---|---|---|---|
| **Cash and Cash Equivalents** | 1,184,787 | 178,968 | 1,005,819 | 562% |
| **Intellectual Property** | 6,660,266 | 6,197,358 | 462,908 | 7% |
| **Total Assets** | 8,443,838 | 6,540,794 | 1,903,044 | 29% |
| **Total Liabilities** | 263,632 | 924,292 | (660,660) | -72% |

## Intellectual Property & Total Assets

From June 30, 2015 to December 31, 2015 our total assets have increased as the Company closed a private placement for gross proceeds of $1,796,800. As in the prior periods, a substantial amount of our total assets is comprised of our intellectual property. As at December 31, 2015, the intellectual property accounted for 79% of total assets, and as at June 30, 2015, it accounted for 95%.

Purchased intellectual property, comprised of patents, patents pending, costs related to the development of technologies and related proprietary knowledge is recorded at cost. The Company capitalizes the costs of improvements, advancements and enhancements made to its intellectual property when it meets certain criteria. There were no other significant additions to our assets in the current period.

## Liabilities

Our liabilities are as follows:

| Liabilities | Total | Financial Instrument | Interest Expense | Foreign Exchange Expense | Other Expense / Income |
|---|---|---|---|---|---|
| Accounts Payable | $ 250,239 | Yes | $ 521 | $ - | $ - |
| Due to Related Parties | 13,393 | Yes | - | - | - |
| Notes Payable to Related Party | - | Yes | 2,089 | - | - |
| Technology Acquisition Payable | - | Yes | 10,175 | 22,023 | - |
| **Total Contractual Commitments** | **$ 263,632** | | **$ 12,785** | **$ 22,023** | **$ -** |

The fair value of the above financial instruments was determined using the cost method in accordance with its accounting policy.

The Company does not actively manage any risks associated with its financial instruments, including interest rate price risk or foreign exchange risk. The Company's interest bearing payables are all have fixed interest rates and therefore, its repayments will not fluctuate with changes in prime rates or other benchmarks.

The Company is subject to foreign exchange exposure on its technology acquisition payable which is denominated in the US Dollar.

During the six month period ended December 31, 2015, the US Dollar has increased in value relative to the Canadian Dollar from 1.2490 USD to 1.3841 USD (2014: 1.0670 USD to 1.1601 USD). This increase has resulted in a larger foreign exchange loss than in the prior period as the Technology Acquisition Note Payable is denominated in US Dollars.

## Off-Balance Sheet Activities

The Company had no off-balance sheet arrangements.

## RELATED PARTY TRANSACTIONS

Transactions with related parties for the six month periods ended December 31, 2015 and 2014 are as follows:

| | | **December 31, 2015** | | December 31, 2014 |
|---|---|---|---|---|
| Interest accrued on notes payable to a company controlled by the Chief Executive Officer | **$** | **2,089** | $ | 3,663 |
| Interest accrued and foreign exchange impact on technology acquisition payable to a relative of the Chief Executive Officer of the Company | **$** | **11,104** | $ | 11,295 |
| 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 (capitalized in intellectual property) | **$** | **44,100** | $ | 44,100 |

On January 1, 2014, the Company entered into two leases:

1) premises lease for its facility in Midale, Saskatchewan for a term of three years commencing on January 1, 2014. The Company uses the 5,000 square foot facility to assemble, develop and test its equipment as the premises are adjacent to a 5,000 acre commercial farm, which the Company has access to run its equipment on. 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.
2) vehicle lease for a pick-up truck at its facility in Midale, Saskatchewan for a term of three years commencing on January 1, 2014. The Company pays lease fees of $1,100 per month. The lease can be terminated with two months' notice in the third year of the lease.

Both these leases are between the Company and a company controlled by the Company's VP Agronomic Practices and Protocols who is also a director of the Company.

Transactions with related parties were measured at the exchange amounts and were incurred in the normal course of business.

Included in the Company's liabilities are amounts due to related parties as follows:

| | | **December 31, 2015** | | June 30, 2015 |
|---|---|---|---|---|
| Notes payable to Marvelle Capital Corporation, a company controlled by the Company's Chief Executive Officer together with accrued interest | **$** | **-** | $ | 88,050 |
| Technology acquisition payable and accrued interest due to the father of the Company's Chief Executive Officer | **$** | **-** | $ | 334,818 |
| Amounts due to companies controlled by Directors and Officers of the Company. Amounts are non-interest bearing, unsecured and are due on demand. | **$** | **13,393** | $ | 77,774 |

# ADDITIONAL INFORMATION

**Proposed Transactions**

The Company does not have any proposed transactions at this time.

**Internal Controls and Procedures**

In contrast to the certificate required under National Instrument 52-109 *Certificate of Disclosure in Issuers' Annual and Interim Filings* (NI 52-109), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109, in particular, the certifying officers filing this certificate are not making any representation relating to the establishment and maintenance of:

a. Controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annul filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
b. A process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's generally accepted accounting policies.

The Company's certifying officers are responsible for ensuring processes are in place to provide them with sufficient knowledge to support the representations they are making in their certification.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement, on a cost effective basis, DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filing and other reports provided under securities legislation.

**Critical Accounting Estimates**

The Company's discussion and analysis are based on its financial statements that have been prepared in accordance with International Financial Reporting Standards. The preparation of financial statements requires management to make estimates and judgments that affect reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, management re-evaluates its estimates and judgments, particularly those related to the determination of the impairment of long-lived assets.

As we are a venture issuer, we do not provide an analysis of our critical accounting estimates.

**New Standard Not Yet Adopted**

There are new standards, interpretations and amendments to existing standards not yet effective for the 2016 fiscal year, and have not been applied in preparing our consolidated financial statements. For details of the Company's Future Accounting Standards, including accounting standards not yet adopted and accounting standards amended but not yet effective, please refer to Note 3 of the Company's audited financial statements as at June 30, 2015.

# FORWARD-LOOKING INFORMATION

The financial information in the MD&A and in our financial statements and notes are prepared according to International Financial Reporting Standards. This MD&A includes statements and information about our expectations for the future. When we discuss our strategy, plans, future financial and operating performance, or other things that have not yet taken place, we are making statements considered to be forward-looking information or forward-looking statements under Canadian securities laws. We refer to them in this MD&A as *forward-looking information.*

Key things to understand about the forward-looking information in this MD&A:

- It typically includes words and phrases about the future, such as: believe, estimate, anticipate, expect, plan, intend, predict, goal, target, project, potential, strategy and outlook (see examples below).
- It includes views of the industry, which is taken to mean the Agriculture Equipment sectors & Agricultural Seeding Equipment sub-sectors and uses words such as: sector, industry, segment, marketplace interchangeably
- It represents our current views, and can change significantly.
- It is based on a number of material assumptions which may prove to be incorrect.
- Actual results and events may be significantly different from what we currently expect, due to the risks associated with our business.
- Forward-looking information is designed to help you understand management's current views of our near and longer term prospects, and may not be appropriate for other purposes. We will not necessarily update this information unless we are required to by securities laws.

In particular, this MD&A may contain forward-looking statements pertaining to the following:

- The Company's business plans;
- The Company's operating history;
- The Company's lack of profitability;
- The Company's sales, distribution, commercialization, production and development plans;
- Unpredictable changes to the market prices for farm commodities and the Company's share price (in respect of both inputs and outputs);
- Political, economic and other associated risk;;
- The Company's ability to attract and retain qualified management personnel;
- The Company's ability to obtain additional financing on satisfactory terms; and
- The Company's future investments and allocation of capital resources.

Examples of forward-looking information in this MD&A

- Our expectations about 2016 and beyond, the future global agriculture industry, farmer buying patterns, trends, marketplace demands and marketplace usage;
- Our strategy for commercializing and manufacturing our technology;
- Our expectation that we will continue to develop the CX-6 SMART Seeder, achieve sales and become fully commercialized during the upcoming year;
- Our expectation for capital expenditures and working capital requirements in 2016 and beyond.
- Our expectation for the level of sales and production volume for the 2016 year
- Our expectation of arranging manufacturing and distribution strategies, arrangements or plans during the 2016 fiscal year and that we will execute those plans for our initial sales in 2016 or beyond
- Our expectation of obtaining financing through the issuance of equity or debt, the proceeds from warrants or options or the sales of assets
- Our expectations of receiving intellectual property protection, the timing of receiving intellectual property protection and the timing of making applications to obtain intellectual property protection and the applications for future patents

The Company has assessed the following material risks, but not limited to:

- Our ability to complete the CX-6 SMART Seeder in the timeline contemplated, including, attracting and retaining qualified personnel, raising the necessary funds to advance the CX-6 SMART Seeder to production and our ability to complete the development of next year model version
- Our ability to achieve market success will require substantial marketing efforts and the expenditure of funds to inform potential customers of the distinctive benefits and characteristics of our product.
- Our ability to raise sufficient funds to meet our on-going obligations, existing liabilities and forecasting administrative requirements for the 2016 fiscal year and period thereafter, until our operations can generate sufficient cash flows to support all requirements of the Company
- Our ability to sell our products in the manner anticipated and to sell enough products to earn sufficient funds to support operations
- The agriculture industry, the participants desires, the value proposition to the purchaser, the amount of the benefit to the end user for our product does not meet our expectations, the desirability of our innovations, the demand for the CX-6 SMART seeder and the specifications the end users value significantly differ from our expectations
- We are unable to successfully obtain patents for the CX-6 SMART Seeder patent applications made during the year or we can obtain clear passage for any additional patent applications submitted
- The Company is forced to defend its existing patents through litigation and does not have the necessary resources to do so
- There are changes to government regulations or policies that adversely affect us, including tax and trade laws and policies
- The popularity of no-till farming and air seeder technology declines and as a result, no-till equipment or air seeder replacement technology is not attractive to the marketplace
- We, or our target market, are affected by natural phenomena, including inclement weather, fire, flood and earthquakes
- Our development activities are disrupted due to the unavailability of equipment, software, operating parts and supplies critical to production and development; equipment failure, labour shortages, transportation disruptions or accidents or other development and operating risks

- There is no assurance that actual results realized by customers will match the internal and historical results of testing of our technology
- We may not have the management systems, processes and procedures to cope with high growth or high sales demands leading to financing difficulties or business execution risk
- Departure of key personnel could have an adverse effect on planned operations

The Company has made the following material assumptions regarding, but not limited to:

1. Customer receptiveness to accepting and purchasing our technology
2. Market conditions upon which we have based our capital expenditure expectations
3. Liabilities inherent in our operations;
4. Political and economic risks;
5. Changes in regulation;
6. World agricultural commodity prices and markets;
7. Producers' decisions regarding total seeded acreage, crop selection and utilization levels of farm inputs such as fertilizers and pesticides;
8. Uncertainties associated with estimated market demand and sector activity levels;
9. Competition for, among other things, capital, acquisitions and skilled personnel;
10. Dependence on key personnel;
11. Employee relations, collective bargaining and third party relationships;
12. Our operations will not be significantly disrupted as a result of political instability, nationalization, terrorism, sabotage, blockades, civil unrest, social activism, political activism, equipment breakdown, natural disasters, government actions, political actions, litigation or arbitration proceedings, unavailability of equipment, parts and supplies critical to production and development, labour shortages or other development or operating risks
13. Our ability to comply with government, environmental and regulatory requirements
14. Future expectations regarding tax rates and payments
15. Fluctuations in foreign exchange or interest rates and stock market volatility; and

While these forward looking statements and any assumptions upon which they are based are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein.

The impact from the difference between estimates, predictions, projections, assumptions for future results, levels of activity, performance or achievements expressed or implied and actual results on thereto could be material.