

The following Management Discussion & Analysis (“MD&A”) was prepared by management of Clean Seed Capital Group Ltd. (“Clean Seed” or the “Company”) as of October 28, 2011 and approved by the board of directors of the Company (the “Board of Directors”). Throughout this MD&A, unless otherwise specified, “Clean Seed”, “Company”, “we”, “us” and “our” refer to Clean Seed Capital Group Inc. and its subsidiary Vesco Agricultural Technologies Ltd. (“Vesco”). Except where otherwise indicated, all financial information reflected herein is determined on the basis of Canadian generally accepted accounting principles. This MD&A should be read in conjunction with the audited financial statements for the year ended June 30, 2011 and related notes attached thereto which are prepared in accordance with Canadian generally accepted accounting principles.

All amounts are stated in Canadian dollars unless otherwise indicated.

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 Disclosure Controls and Procedures and Internal Controls over Financial Reporting as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Caution on Forward-Looking Information

This management discussion and analysis (“MD&A”) contains certain forward-looking statements and information relating to the Company that are based on the reasonable beliefs of its management as well as assumptions made by and information currently available to the Company. If used in this document, the words “anticipate”, “believe”, “estimate”, “expect”, “aim”, “intend”, “plan”, “will”, “may”, “forecast”, “predict”, “project”, “should” and similar expressions or the negative thereof, are forward-looking statements. These statements are not historical facts but instead represent only the Company’s expectations, estimates and projections regarding future events. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Important factors are identified in this MD&A. These statements are prepared as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement.

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

- 1. The Company’s business plans, specifically as they relate to the expected costs of producing Vesco’s no-till equipment is based on prices quoted from various sources for the components, the expected costs of assembling the machines, and expected sales prices as based on current market conditions,*
- 2. The Company’s limited operating history,*
- 3. The Company’s historical lack of profitability*
- 4. Unpredictable changes to the market prices for farm commodities (in respect of both inputs and outputs),*
- 5. Political, economic and other risks associated related to foreign operations;*
- 6. The Company’s ability to attract and retain qualified management personnel;*
- 7. The Company’s ability to obtain additional financing on satisfactory terms, and*
- 8. The Company’s future investments and allocation of capital resources.*

With respect to forward-looking statements listed above and contained in the MD&A, the Company has made assumptions regarding, among other things:

- 1. Liabilities inherent in our operations;*
- 2. Political and economic risks;*
- 3. Changes in regulation;*
- 4. World agricultural commodity prices and markets;*
- 5. Producers’ decisions regarding total seeded acreage, crop selection and utilization levels of farm inputs such as fertilizers and pesticides;*
- 6. Uncertainties associated with estimated market demand and sector activity levels;*
- 7. Competition for, among other things, capital, acquisitions and skilled personnel;*
- 8. Dependence on key personnel;*
- 9. Employee relations, collective bargaining and third party relationships;*
- 10. Fluctuations in foreign exchange or interest rates and stock market volatility; and*
- 11. The other factors discussed under “Risk Factors”.*

Any of which may cause our industry’s actual results, levels of activity performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward looking statements.

Additional factors that could cause actual results, performance or achievements to differ materially also include those discussed under “Risk Factors in the Company’s Prospectus dated June 27, 2011:

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.

Additional information related to Clean Seed Capital Group Ltd. is available for view on SEDAR at www.sedar.com <<http://www.sedar.com>>.

1. Nature of Operations and Overall Performance

Description of the Business and Summary of Activities

Clean Seed Capital Group Ltd. (the "Company") is incorporated under the *British Columbia Business Corporations Act* and its common shares are listed on the TSX Venture Exchange ("TSX-V"), under the symbol "CSX", effective September 28, 2011.

The Company was incorporated on January 28, 2010 and commenced business at that time. Our business has been restricted to (i) raising seed financing, (ii) negotiating the acquisition of Vesco; (iii) seeking a listing on the TSX-V; and (iv) completing the acquisition of Vesco. To those ends, we have (i) raised an aggregate of \$336,252 through the sale of shares; (ii) entered into a share exchange agreement to acquire a 100% interest in Vesco; (iii) commissioned a business plan and valuation report; (iv) engaged Wolverton Securities Ltd. to assist in our application to the TSX-V for a listing of our shares and to assist in the offering; (v) completed the prospectus financing; and (vi) completed the acquisition of Vesco.

On September 26, 2011 we completed our prospectus offering (our Initial Public Offering, "IPO") for gross proceeds of \$2,010,000 and realizing net proceeds of approximately \$1,786,000 and on September 28, 2011 ("Listing Date") we commenced trading on the TSX-V under the symbol "CSX". The Company intends to use the net proceeds from this offering for the purposes disclosed in the prospectus as follows:

Principal Purpose	Use of Funds
Technology Acquisition (see "Description of Vesco's Business, Agreements Pertaining to the Technology" in the Company's Prospectus dated June 27, 2011)	\$ 255,000
Demonstration Projects (see "Description of Vesco's Business, Carbon Sequestration" in the Company's Prospectus dated June 27, 2011)	340,000
Capital Assets	50,000
Marketing Campaign (see "Description of Vesco's Business, Marketing" in the Company's Prospectus dated June 27, 2011)	80,000
General and Administrative Expenses (12 months)	282,000
Estimated Working Capital Deficit of Clean Seed as at September 26, 2011	180,000
Estimated Working Capital Deficit of Vesco as at September 26, 2011	215,000
Estimated Unallocated Working Capital	384,000
Total:	\$ 1,786,000

On September 26, 2011, upon completion of our IPO, we completed the acquisition of Vesco from the shareholders of Vesco. We had acquired the right to purchase Vesco by way of an option agreement, dated April 30, 2010, with Marvelle Capital which had earlier entered into an agreement to acquire all of the shares of Vesco. In consideration for the grant of the option, Clean Seed paid to Marvelle Capital the sum of \$105,000. On May 31, 2010, and amended on August 31, 2010, we entered into a share exchange agreement with Vesco and all of the shareholders of Vesco to acquire 100% of the issued shares of Vesco.

Pursuant to the share exchange agreement, on September 26, 2011, we acquired Vesco by issuing 10,000,000 shares at the deemed price of \$0.25 per Share to the former shareholders of Vesco, in consideration of their Vesco shares. There were six shareholders of Vesco holding an aggregate of 1,000,000 common shares of Vesco. The majority shareholder was Marvelle Capital, holding 989,250 shares of Vesco (98.93%); such that it received 9,892,500 shares of Clean Seed upon closing of the share exchange agreement. Marvelle Capital had previously delivered to Clean Seed a direction instructing that 5,262,500 of the Clean Seed shares it is entitled to receive under the share exchange agreement be issued and delivered to third parties, including: (i) 2,500,000 shares to Marvelle Corporate Development; (ii) 1,162,500 shares to 622738 B.C. Ltd. (a private company controlled by Mark Tommasi (one of our directors)); (iii) 400,000 shares to M.L. Swales Inc. (a private company related to Murray Swales, our CFO); and (iv) 100,000 shares to Gordon Wilson (our Chief Technical Officer). Delivery of such shares is in consideration of some or all of amounts owed by Marvelle Capital to such persons.

8,692,500 of the shares issued to acquire Vesco have been placed in escrow pursuant to the closing escrow agreement, to be released as to 10% on the Listing Date and 15% every six months thereafter.

On closing of the acquisition, US\$250,000 (plus interest at the annual rate of 7.8%) was paid on behalf of Vesco to Dr. Noel Lempriere (the "NL Agreement"), a creditor of Vesco and the father of the Company's president. Payment of interest accrued under the NL Agreement has been deferred until the Company's third quarter.

The acquisition of Vesco is a non-arm's length transaction. The directors of Vesco are Graeme Lempriere, Lehla Moran and Ward Jensen. Vesco is owned 98.93% by Marvelle Capital, which is a private company owned 50% by Graeme Lempriere, 45% by Lehla Moran, and 5% by Ward Jensen; and the directors of which are Graeme Lempriere, Lehla Moran and Ward Jensen. Each of Graeme Lempriere and Ward Jensen are directors of Clean Seed, and Graeme Lempriere and Lehla Moran are officers of Clean Seed. Each of Graeme Lempriere, Lehla Moran and Ward Jensen are also shareholders of Clean Seed. Marvelle Corporate Development, which received 2,500,000 Shares upon closing of the acquisition, is a private company owned as to 60% by Graeme Lempriere and 40% by Lehla Moran.

The Company has entered into a Memorandum of Understanding (“MOU”) with the University of British Columbia’s Centre for Sustainable Food Systems (“UBC Farm”) whereby the Company and UBC Farm intend to collaborate in mutually beneficial projects and foster relationships in the developing nations’ academic agriculture community leading to the introduction of Company small scale equipment to farmers in developing nations.

2. Selected Annual Information

The following selected financial information has been derived from the audited financial statements for the year ended June 30, 2011 and the five months ended June 30, 2010 and the financial positions as at June 30, 2011 and 2010. For more detailed information refer to the Company’s audited financial statements for the specific periods.

	Year ended June 30, 2011	Five Month Period ended June 30, 2010
Total revenue	\$ NIL	\$ NIL
Loss from operations	\$ (174,310)	\$ (38,128)
Loss for the period	\$ (174,310)	\$ (38,128)
Basic and diluted earnings (loss) per share	\$ (0.04)	\$ (0.03)
Current assets	\$ 28,456	\$ 130,330
Non-current assets	\$ 235,842	\$ 75,000
Total assets	\$ 264,298	\$ 205,330
Current liabilities	\$ 197,366	\$ 30,956
Non-current liabilities	\$ -	\$ -
Total liabilities	\$ 197,366	\$ 30,956
Cash dividends declared per share	\$ NIL	\$ NIL
Weighted average number of common shares outstanding	4,605,687	1,420,262

3. Results of Operations

Operations

Since incorporation the Company’s sole focus has been on completion of the IPO and acquisition of Vesco Agricultural Technologies Ltd., and all expenses are related to these two activities.

Significant expenditures and variations of expenditures incurred during the year ended June 30, 2011, as compared to the five month period ended June 30, 2010 include:

- **Consulting fees - 2011: \$Nil / 2010: \$11,268;** During the five month period ended June 30, 2010 the Company engaged an independent consultant to prepare an evaluation of the Company’s proposed acquisition of Vesco Agricultural Technologies Ltd. at a cost of \$9,268. In addition the Company paid \$2,000 to Ward Jensen, who is a Director of the Company, to assist with the preparation of the evaluation report.
- **General and administration – 2011 \$10,266 / 2010: \$298.** During the 2011 fiscal year the Company incurred a number of general and administration expenses in the course of pursuing its initial public offering, stock exchange listing and acquisition of Vesco. Those costs included office supplies, telephone, marketing activities and web site costs.
- **Occupancy - 2011: \$6,093 / 2010: \$Nil;** In preparation for commencing business activities, effective April 1, 2011 the Company entered into a premise lease for office space for the Company and assembly area for Vesco’s business activities. The Company charges Vesco approximately 77% of the cost for the area it occupies. Under the terms of the lease, the Company is committed for five years of the lease commencing on April 1, 2011 for base rent plus estimated operating costs totaling approximately \$67,700 for each of years one and two, \$70,400 for year three and \$73,100 for each of years four and five, before recovery from Vesco.
- **Professional fees - 2011: \$147,939 / 2010: \$25,000;** As indicated elsewhere in this MD&A, the Company’s primary activities have been restricted to financing the Company and acquisition of Vesco. Professional fees for both periods are related solely to those activities. During the fiscal year ended June 30, 2011 the Company has incurred legal costs of \$85,379, accounting fees of \$5,000, audit fees of \$56,560 and engineering fees of \$1,000.

Management Compensation

The Company did not incur any management compensation for the year ended June 30, 2011. However, the Company has entered into a management agreement with Mr. Graeme Lempriere, our CEO/President, under which Mr. Lempriere will be entitled to receive the sum of \$5,000 per month (reviewable annually). The Agreement commenced on September 28, 2011, the date our shares were listed on the TSX-V, and will continue for a term of three years. In the event the agreement is terminated by us without cause, or as a result of any change of control of the Company, Mr. Lempriere will be entitled to receive severance equal to 24 months salary.

We also have a verbal understanding with Mr. Murray Swales, our CFO, as to his compensation to be received from time to time. We will pay consulting fees based on the number of hours per month he spends providing

services to the Company in his capacity as CFO, commencing on the Listing Date. We estimate we will pay an average of \$2,500 per month for Mr. Swales' services.

4. Summary of Quarterly Results

The following is a table of our selected quarterly financial information for each of the six quarters ended June 30, 2011 since incorporation of the Company:

	June 30, 2011	March 31, 2011	December 31, 2010	September 30, 2010
Total Revenue	\$ -	\$ -	\$ -	\$ -
Net Income (Loss)	\$ (119,887)	\$ (25,090)	\$ (23,486)	\$ (5,847)
Basic and diluted loss per common share	\$ (0.030)	\$ (0.005)	\$ (0.005)	\$ (0.000)

	June 30, 2010	From January 28, 2010, date of incorporation to March 31, 2010
Total Revenue	\$ -	\$ -
Net Income (Loss)	\$ (38,128)	\$ Nil
Basic and diluted loss per common share	\$ (0.030)	\$ (0.000)

5. Liquidity

The Company's historical capital needs have been met by issuance of shares. As at June 30, 2011, the Company had a working capital deficit of \$168,910 (June 30, 2010 – working capital \$99,374). The Company proposes to meet its financing requirements through equity financing. On September 26, 2011 the Company completed its IPO realizing net proceeds of approximately \$1,786,000.

Upon completion of the IPO, the Company acquired 100% of the issued shares of Vesco Agricultural Technologies Ltd., thereby entering the green agricultural technology sector. Vesco is a start-up business, therefore at this time the Company does not generate any cash from operations. Without the ability to attract additional equity funding the Company may not have the working capital necessary to fund current operations beyond the 2012 fiscal year;

The Company's cash position as at June 30, 2011 was \$8,791 (June 30, 2010 - \$127,859). The net change in cash position compared to June 30, 2010 was as a result of the receipt of \$123,750 of share subscriptions related to a private placement financing plus \$53,000 of loan proceeds, \$73,624 expended on operating activities, \$118,446 advanced to Vesco Agricultural Technologies Ltd., \$56,882 expended on deferred financing costs and \$16,866 for purchase of office equipment.

The Company has no long-term debt.

Future cash requirements will depend primarily on the extent of business activities. At the time of this report (after completion of the IPO) the Company does not project a requirement to raise additional capital to fund its operations. If additional funds are required, the Company will be dependent on raising funds by the issuance of shares in order to finance operations, finance further acquisitions and meet general and administrative expenses. In such circumstance there can be no assurance that the Company will be successful in raising their required financing.

The Company's financial statements have been prepared on the basis of a going concern which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. Should the Company be unable to continue as a going concern, the realization of assets may be at amounts significantly less than carrying values. With the subsequent completion of the Company's IPO management is of the belief the Company has sufficient working capital to implement its business plan. 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 to finance future operations. The 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.

6. Capital Resources

The Company's ability to raise additional funds from the equity markets will largely depend upon general market conditions, the Company's ability to achieve certain exploration milestones and its ability to acquire new properties. Current market conditions do limit the potential to raise additional funding.

Authorized share capital is an unlimited number of common shares without par value. Issued and outstanding common shares as at June 30, 2011 were 4,690,000 (June 30, 2010 – 3,700,000).

During the year ended June 30, 2011 the following shares were issued - on August 1, 2010, 990,000 common shares were issued at a price of \$0.125 per share for gross proceeds of \$123,750.

Subsequent to June 30, 2011 the Company completed its IPO and issued the following common shares:

1. 6,700,000 common shares, at \$0.30 per share, upon closing the Company's IPO;
2. 10,000,000 common shares for the acquisition of 100% of the issued shares of Vesco Agricultural Technologies Ltd., at a deemed price of \$0.25 per share; and
3. 16,666 common shares in exchange for special warrants issued with respect to a loan payable to an arms-length person.

Following the issuance of these shares the Company has 21,406,666 common shares issued and outstanding of which the following are restricted from trading:

1. 2,050,000 common shares are subject to escrow restrictions pursuant to an escrow agreement dated September 23, 2010, to be released as to 10% on the Listing Date (September 28, 2011) and 15% every six months thereafter;
2. All of the 10,000,000 shares issued to acquire Vesco are subject to a four month hold period ending January 27, 2012;
3. 8,692,500 of such 10,000,000 shares are also subject to escrow restrictions under an escrow agreement dated June 23, 2011, to be released as to 10% on the Listing Date and 15% every six months thereafter; and
4. 990,000 seed shares are subject to TSX-V seed share resale restrictions, to be released as to 20% on the Listing Date and 20% each month thereafter over four months.

Share Purchase Warrants

As at June 30, 2011, the Company had no share purchase warrants outstanding.

Share Purchase Options

As at June 30, 2011 the Company had no share purchase options outstanding.

On September 28, 2011 the Company issued 1,380,000 stock options to directors and officers (1,000,000), employees (200,000) and consultants (180,000). The options are fully vested and exercisable at \$0.30 per share for a period of five years expiring September 28, 2016.

Agent Options

As at June 30, 2011 the Company had no agent options outstanding.

On September 26, 2011, as part of consideration paid pursuant to an agency agreement related to the Company's IPO, the Company issued 536,000 agent's options, exercisable at \$0.30 for a period of 36 months from September 26, 2011, the Listing Date of the Company's shares.

While there can be no guarantee that warrant and option holders will exercise their warrants or options, any such option exercises that do occur would provide additional funding to the Company.

7. Off-Balance Sheet Arrangements

The Company had no off-balance sheet arrangements.

8. Transactions with Related Parties

Transactions and balances with related parties are recorded at the exchange value as summarized below:

Goods or services rendered:	2011	2010
Consulting fees paid to Ward Jensen, a director of the Company	\$ -	\$ 2,000
Option payments made to Marvelle Corporate Development Group Ltd., a company who is a shareholder of the Company (owning 200,000 shares) and is controlled by individuals who are shareholders, directors and officer of the Company (owing 262,500 shares in total)	\$ 30,000	\$ 75,000

Included in the Company's assets are amounts advanced to Marvelle Capital Corporation, a company controlled by Graeme Lempriere who is an officer and director of the Company, for expense advances in the amount of \$2,379. These advances are made without fixed terms of repayment, without interest and are unsecured.

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

	2011	2010
Included in accounts payable and accrued liabilities		
Amount due to Marvelle Capital Corp., a company controlled by Graeme	\$ -	\$ 2,048

Lempriere who is an officer and director of the Company				
Amount due to Mark Tommasi, a director of the Company	\$	797	\$	-
Notes payable to Mark Tommasi, a director of the Company	\$	3,000	\$	-

Share capital:

On February 11, 2010 officers and directors of the Company purchased 737,500 common shares at \$0.01 per share and on June 1, 2010 officers and directors (or their related companies) of the Company purchased 1,150,000 common shares at \$0.075 per share.

Advances to Vesco Agricultural Technologies Ltd.:

The Company has advanced, or made payments on behalf of, Vesco Agricultural Technologies Ltd., the subject of the agreement referred to in Note 3. The advances are made without fixed terms of repayment, without interest and are unsecured.

9. Proposed Transactions

Our only significant transaction is the acquisition of Vesco from the shareholders of Vesco. The transaction was completed subsequent to June 30, 2011 and is described fully in Section 1. *Nature of Operations and Overall Performance* of this MD&A.

10. Critical Accounting Estimates

The Company's discussion and analysis of its financial condition and results of operations, including the discussion on liquidity and capital resources, are based on its financial statements that have been prepared in accordance with Canadian generally accepted accounting principles. The preparation of these 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. Management bases its estimates and judgments on historical experience, contractual arrangements and commitments and on various other assumptions that it believes are reasonable in the circumstances. Changes in these estimates and judgments will impact the amounts recognized in the consolidated financial statements, and the impact may be material. Management believes significant estimates and assumptions include those related to the recoverability of advances to related parties, estimated useful lives of capital assets and determination as to whether costs are expensed or deferred.

Critical accounting estimates used in the preparation of the financial statements include the assumption the Company is a going concern, recoverable value of its advances to Vesco, value of capital assets and future income taxes. These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control.

Going Concern

The Company's financial statements have been prepared on the basis of a going concern which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has experienced recurring losses, has not generated profitable operations since inception and as at June 30, 2011 has accumulated losses of \$212,438 since inception. Should the Company be unable to continue as a going concern, the realization of assets may be at amounts significantly less than carrying values. The continuation of the Company as a going concern is dependent on its ability to obtain additional equity capital to finance existing operations, attaining and future profitable operations. These 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.

As indicated elsewhere in this MD&A, subsequent to June 30, 2010 the Company completed its IPO, realizing net proceeds of approximately \$1,786,000.

Value of advances to Vesco

Subsequent to June 30, 2011 the Company completed its Initial Public Offering and concurrently acquired 100% of the issued shares of Vesco. The Company's business plan includes funding the commercialization of Vesco's technology. It is Management's belief the proceeds of the IPO will provide the Company with sufficient capital to implement the Vesco business plan thereby supporting the value of advances to Vesco.

Future Income Taxes

The Company uses the asset and liability method of accounting for income taxes whereby future income tax assets are recognized for deductible temporary differences and operating loss carry-forwards and future income tax liabilities are recognized for taxable temporary differences. Future income tax assets and liabilities are adjusted for the effect of changes in tax laws and rates on the date of enactment or substantive enactment. The actual income tax rate that may be in effect at the time future income tax assets are realized or future income tax liabilities come due will depend upon the income tax rate(s) in effect at the time.

11. Changes in Accounting Policies, Including Initial Adoption

The Company's significant accounting policies are consistent with those reported in the annual financial statements as at June 30, 2011. Subsequent to June 30, 2010, the Company has adopted the following generally accounting policies as defined by the Canadian Institute of Chartered Accountants' (CICA) Handbook:

Consolidated Financial Statements Section 1601, *Consolidated Financial Statements* and Section 1602, *Non-controlling Interests* replaces Section 1600. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 establishes standards for accounting, for a non-controlling interest in a subsidiary in consolidated financial statements, subsequent to a business combination. Section 1602 is equivalent to the corresponding provisions of International Financial Reporting Standard IAS 27, *Consolidated and Separate Financial Statements*. These standards are effective for the Company for interim and annual financial statements beginning on January 1, 2011. As early adoption was permitted the Company adopted these requirements effect May 1, 2010. There was no impact of the adoption of these changes on the Company's consolidated financial statements

Business Combinations Section 1582, *Business Combinations*, which replaces Section 1581, *Business Combinations*, establishes standards for the accounting for a business combination. It is the Canadian GAAP equivalent to International Financial Reporting Standard IFRS 3, *Business Combinations*. This standard is effective for the Company for interim and annual financial statements beginning on January 1, 2011. As early adoption was permitted the Company adopted these requirements effect May 1, 2010. There was no impact of the adoption of these changes on the Company's consolidated financial statements.

Equity In August 2009, the CICA issued certain amendments to Section 3251 *Equity*. The amendments apply to entities that have adopted Section 1602 *Non-controlling interests*. The amendments require separate presentation on the statements of operations and comprehensive income of income attributable to owners of the Company and those attributable to non-controlling interests. The amendments also require that non-controlling interests be presented separately as a component of equity. As early adoption was permitted the Company adopted these requirements effect May 1, 2010. There was no impact of the adoption of these changes on the Company's consolidated financial statements

Comprehensive Revaluation of Assets and Liabilities: In August 2009, the CICA amended Section 1625, *Comprehensive Revaluation of Assets and Liabilities*. This section has been amended as a result of issuing Section 1582, *Business Combinations*, Section 1601, *Consolidated Financial Statements*, and Section 1602, *Non-controlling Interests* in January 2009. The amendment applies prospectively to comprehensive revaluations of assets and liabilities occurring in fiscal years beginning on or after January 1, 2011. As early adoption was permitted the Company adopted these requirements effect May 1, 2010. There was no impact of the adoption of these changes on the Company's consolidated financial statements

Future Changes in Accounting Policies

International financial reporting standards The Canadian Accounting Standards Board ("AcSB") confirmed that International Financial Reporting Standards ("IFRS") will replace Canadian Generally Accepted Accounting Policies for publicly accountable enterprises, including the Company, effective for fiscal years beginning on or after January 1, 2011.

The Company's transition date of July 1, 2010 will require the restatement for comparative purposes of amounts reported by the Company for the year ended June 30, 2010. The Company will report interim and annual financial statement in accordance with IFRS beginning with the quarter ended July 31, 2011. The Company's 2012 interim and annual financial statements will include comparative financial statements restated to comply with IFRS.

The Company's management has completed its assessment of the adoption of IFRS, has identified the changes required to the transition date financial statements and has completed the transition date reconciliation of the Company's financial statements from Canadian Generally Accepted Accounting Principles to IFRS.

The following IFRS standards have been identified as having a significant financial statement and/or business impact. However, additional standards may have an impact during transition to IFRS as the International Accounting Standards Board and the AcSB have a number of ongoing projects, the outcome of which may have an effect on the changes required to the Company's accounting policies on adoption of IFRS. Subject to changes to IFRS that may occur from the adoption of new policies by AcSB and IASB the Company has identified the following policies which will have an impact on its consolidated financial statements:

- IFRS 1 First-time adoption of International Financial Reporting Standards
- IFRS 3 Business combinations
- IAS 12 Income taxes
- IAS 16 Property, plant and equipment
- IAS 21 Effects of changes in foreign exchange rates
- IAS 36 Impairment of assets

The Company has completed its selection of alternative accounting policies on initial adoption of IFRS. IFRS 1 First-time Adoption of International Financial Reporting Standards sets forth guidance for the initial adoption of IFRS. Under IFRS 1 the standards are applied retrospectively at the transitional statement of financial position

date with all adjustment to assets and liabilities taken to retained earnings unless certain exemptions are applied. The Company has applied the following exemptions to its opening statement of financial position dated July 1, 2010:

- a) *Business Combinations* IFRS 1 indicates that a first-time adopter may elect not to apply IFRS 3 Business Combinations retrospectively to business combinations that occurred before the date of transition to IFRS. The Company has taken advantage of this election and has applied IFRS 3 to business combinations that occurred on or after May 1, 2010. The Company had no business combinations on or after May 1, 2010.
- b) *Share-based payment transactions* IFRS 1 encourages, but does not require, first-time adopters to apply IFRS 2 Share based Payment to equity instruments that were granted on or before November 7, 2002, or equity instruments that were granted subsequent to November 7, 2002 and vested before the later of the date of transition to IFRS and January 1, 2005. The Company had no share-based payment transactions prior to January 1, 2008.

IFRS 1 also outlines specific guidelines that a first-time adopter must adhere to under certain circumstances. The Company has applied the following guidelines to its opening statement of financial position dated May 1, 2010:

- c) *Estimates* In accordance with IFRS 1, an entity's estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under previous GAAP, unless there is objective evidence that those estimates were in error. The Company's IFRS estimates as of July 1, 2010 are consistent with its Canadian GAAP estimates for the same date.

The Company's objective in selecting its IFRS policies and transition elections was to be IFRS compliant and provide the most meaningful and transparent information to its stakeholders. For each standard, the qualitative and quantitative impacts to the financial statements, disclosure requirements, system requirements, accounting policy decisions, changes to internal controls, including internal controls over financial reporting, and business policies and processes have been taken into account. The Company has made minor adjustments to its procedures and information system in order to collect information to be reported under IFRS. The following provides a summary of the Company's evaluation of changes to accounting policies in key areas based on the current standards and guidance within IFRS.

- a) *Impairment of (Non-financial) Assets* – IFRS, like Canadian GAAP, requires an assessment at each reporting date as to whether there are indicators of impairment of non-financial assets. The factors considered under IFRS are quite similar to Canadian GAAP, but there are differences.

IFRS requires a write down of assets if the higher of the fair market value and the value in use of a group of assets is less than its carrying value. Value in use is determined using discounted estimated future cash flows. Current Canadian GAAP requires a write down to estimated fair value only if the undiscounted estimated future cash flows of a group of assets are less than its carrying value.

The Company's accounting policies related to impairment of non-financial assets will be changed to reflect these differences, however this change will not have an immediate impact to the carrying value of its assets as the Company has performed impairment assessments as at the Transition Date in accordance with IFRS.

- b) *Share-based Payments* – For stock options granted to non-employees Canadian GAAP requires the value of goods or services received (and the corresponding increase in equity) to be measured based on the fair value of the consideration received, or the fair value of the equity instrument, whichever is more reliably measured. IFRS requires that for transactions with non-employees the fair value of the goods and services received are measured directly at their fair value on the date the Company obtains the goods or the counterparty renders the services. Under IFRS the recording of stock based compensation is only permitted using the graded vesting method. The Company accordingly adopted the graded vesting method for future stock based compensation recorded subsequent to the transition date.
- c) *Property and Equipment* – IFRS contains different guidance related to recognition and measurement of property and equipment than current Canadian GAAP. As at the date of transition the Company holds no significant property and equipment that requires changes to recognition and measurement under IAS 16 – Property, Plant and Equipment.
- d) *Accounts payable, accrued liabilities and provisions* – Under Canadian GAAP accounts payable, accrued liabilities and provisions are disclosed on the statement of financial position as a single line item. Under IFRS a provision is a liability of uncertain timing or amount. Provisions are disclosed separately from liabilities and accrued liabilities and require additional disclosure.
- e) *Presentation* – IAS 1 provides guidelines on the presentation of the “general purpose financial statements”, thereby ensuring comparability both with the Company's financial statements of previous periods and with those of other entities. IAS1 mandates the minimum financial statement classification requirements which require the Company's current financial statement presentation be amended to comply with these requirements. There are no adjustments required to reconcile the Company's Canadian GAAP balance sheet as at July 1, 2010 to IFRS presentation.

There are no adjustments required to reconcile the Company's Canadian GAAP statement of operations, statement of comprehensive profit and statement of cash flows for the year ended June 30, 2010 to IFRS presentation.

The Company's first financial statements prepared in accordance with IFRS will be the interim financial statements for the three months ending September 30, 2011, which will include notes disclosing transitional information and disclosure of new accounting policies under IFRS. The interim financial statements for the three months ending September 30, 2011 will also include fiscal 2011 financial statements for the comparative period, adjusted to comply with IFRS, and the Company's transition date IFRS statement of financial position as at July 1, 2010.

12. Disclosure and Internal Controls and Risk Factors

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 annual 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.

Risk Factors

In conducting its business, the Company, like all start-up companies, faces a variety of risks and uncertainties. While unable to eliminate all of them, the Company aims at managing and reducing such risks as much as possible.

Brief Operating History

Clean Seed and Vesco have a brief operating history. Therefore, to a large extent, the successful implementation of important aspects of our business strategy by our management and other key employees is essential to our growth and profitability. We cannot guarantee the success of our commercialization efforts within our target markets. If we are unsuccessful, this may have a negative effect on our operations, financial position and operating results. Management and other key Company employees need to establish and continuously improve efficient operational, financial and customer support control systems.

The successful execution of a value investment strategy requires careful timing and business judgment as well as the resources to complete the development of facilities. We may underestimate the costs necessary to bring our business into commercial operation.

Lack of Independent Testing

Vesco's *Terra-Glide* technology and its various equipment designs have not been independently tested. There is no assurance that Vesco's internal test results will match the actual results realized by customers under ordinary agricultural circumstances. Should the products fail to meet expectations, it will have a materially detrimental impact on our business, revenues and earnings.

Product Price and Margin

Our operating results are and will be dependent upon product prices and margins which in turn are dependent on demand. Product price and margins are also significantly influenced by competitor actions that change overall industry production capacity, such as decisions to build or close production facilities, changes in utilization rates and pricing decisions.

Aggressive Growth Strategy

Our business plan contemplates rapidly expanding business operations. We may not be able to implement our expansion strategy in the manner or time as contemplated. If we fail to effectively manage growth, our financial results could be adversely affected. Growth may place a strain on our management systems and resources. We must continue to refine and expand our business development capabilities, systems and processes. As we grow, we will need to continue to hire, train, supervise and manage new employees. There can be no assurance that we will be able to: (i) expand our systems effectively, efficiently or in a timely manner; (ii) allocate human resources optimally; or (iii) identify and hire qualified employees or retain valued employees. If we are unable to

manage our growth and operations, our business and financial condition will be adversely affected.

Intellectual Property

Our competitive market position is highly dependent on our intellectual property. We rely on a combination of patents, trademarks, trade secrets, confidentiality agreements and other contractual restrictions on disclosure to protect our intellectual property rights. We presently do not have the name or phrase "Terra-Glide" protected by any trade name or trademark. We also enter into confidentiality agreements with our employees, consultants and third parties, and control access to and distribution of confidential information. There may be instances where informed persons will not be subject to confidentiality agreements.

Our success will depend in part on our ability to maintain or obtain and enforce patent and other intellectual property protection for our processes, products and technology, to preserve trade secrets and to operate without infringing upon the proprietary rights of third parties. Setbacks or failures in these areas could negatively affect our ability to compete and materially and adversely affect our business and financial condition. We have obtained certain patents and/or filed patent applications in the United States, Canada and certain countries internationally and may, in the future, seek additional patents or file patent applications. Certain aspects of our technology are currently protected as trade secrets, for which we may or may not file patent applications.

There can be no assurance that our patents or patent applications will be valid, or that patents will be issued from the patent applications we have filed or will file. Additionally, there can be no assurances that the scope of any claims granted in any patent will provide us with adequate protection for the processes used by us currently or in the future. There can be no assurance that our patents will be valid or will afford us with protection against competitors with similar technology or processes. Despite efforts to protect our proprietary rights, unauthorized parties may attempt to copy or otherwise obtain and use our proprietary information. Monitoring unauthorized use of confidential information is difficult and there is no certainty that steps we take to prevent unauthorized use of patented products or confidential information will be effective.

We may deem it necessary or advisable to commence litigation to enforce our intellectual proprietary rights. Others may claim that we have infringed upon their intellectual property rights and commence litigation against us. Our commercial success depends in part on our ability to operate without infringing the patents and other proprietary rights of third parties. Infringement proceedings relating to intellectual property are often lengthy, costly and time-consuming and their outcome is uncertain. Moreover, if our competitors prepare and file patent applications to claim technology that is also claimed by us, we may be forced to participate in interference proceedings to determine priority of invention. Litigation and participation in such proceedings could result in substantial costs and diversion of our efforts, even if the eventual outcome is favorable to us. Litigation could also subject us to significant liabilities to third parties, require disputed rights to be licensed from third parties or require us to cease using certain technology. If we become involved in any patent litigation, interference, opposition or other administrative proceedings, we will incur substantial expense and the efforts of our technical and management personnel will be significantly diverted. As a result of such litigation or proceedings, we could lose our proprietary position and be restricted or prevented from manufacturing our products, incur significant damage awards, including punitive damages, or be required to seek third-party licenses that may not be available on commercially acceptable terms, if at all. In addition, we may lack the resources, whether financial or otherwise, to monitor, prosecute and enforce our intellectual property rights.

Government Regulation

Our operations will be subject to a variety of federal, provincial, state and local laws, regulations and guidelines, including laws and regulations relating to safety, conduct of operations, protection of the environment, operation of equipment and the import and export of our products. We believe that we are currently in compliance with such laws and regulations. We intend to invest financial and managerial resources to ensure such compliance in the future. Although historically such expenditures have not been material, such laws or regulations are subject to change. Accordingly, it is impossible for us to predict the cost or impact of such laws and regulations on our future operations.

Governmental Actions

Our businesses are exposed to a variety of risks and uncertainties related to the action or inaction of governmental bodies. The outcome of the global negotiations under the auspices of the World Trade Organization could have a material effect on the international flow of agricultural commodities which may result in a corresponding effect on the demand for agricultural equipment in many areas of the world.

With respect to the ongoing global economic conditions, changes in governmental banking, monetary and fiscal policies to stimulate economies, restore liquidity and increase the availability of credit may not be effective and could have a material impact on our customers and markets. To the extent that we participate in governmental programs designed to address current negative conditions, both in the United States and in other countries, there is no assurance such programs will remain available for sufficient periods of time or on acceptable terms to benefit the Company, and the expiration of such programs could have unintended adverse effects. In addition, certain competitors may be eligible for certain programs that we are ineligible for, which may create a competitive disadvantage. Our operations and results could also be materially impacted by financial regulatory reform.

Changing Demand for Farm Outputs

Changing worldwide demand for food and the demand for different forms of bio-energy could have an effect on prices for farm commodities and consequently the demand for our agricultural equipment. In addition, global economic conditions may have an impact on agricultural commodity prices.

Impact of Globalization

The continuing globalization of businesses may significantly change the dynamics of the Company's competition, customer base and product offerings. Operating in a large number of different regions and countries will expose us to multiple regulatory requirements that are subject to change; increased exposure to currency fluctuations; differing local product preferences and product requirements; differing labor regulations and differing tax laws.

Consumer Attitudes

The confidence our customers have in the general economy can have a significant effect on their propensity to purchase our equipment. Continuing negative economic conditions could significantly impair customer confidence. Our ability to match our new products to our customers' anticipated preferences for enhanced technologies and different types and sizes of equipment is important as well.

Changes in the Price of Components

A significant change in the demand for, or supply or price of, any part or component of our products could adversely affect our profitability or our ability to obtain and fulfill orders. Increases in the costs of steel, rubber, oil and related petroleum-based products would adversely affect our profitability unless we raise equipment and parts prices to recover any such material or component cost increases. However, we may be unable to raise prices due to market conditions.

Sales Cycle

The agricultural equipment business is highly seasonal as farmers traditionally purchase seed planting equipment in just prior to the main planting season. Our net sales and results of operations are expected to be the highest in the second quarter, reflecting the spring selling season in North America, and lowest in the third quarter, during the winter season.

Poor or unusual weather conditions, particularly in the spring, can significantly affect purchasing decisions of our customers. Sales in the important spring selling season can have a material impact on our financial results. In addition, natural disasters such as tornadoes, hurricanes, earthquakes, floods, droughts and other forms of severe weather in a country in which we produce or sell equipment could have an adverse effect on our customers, our sales, or our property, plant and equipment.

Personnel and Strategic Allies

The successful operation of our business will depend upon the abilities, expertise, judgment, discretion, integrity and good faith of our management, executive officers, general managers, employees, consultants and strategic allies. In addition, our ability to expand will depend upon our ability to attract qualified personnel as needed, including marketing, sales and operational personnel. The demand for skilled employees is high, and the supply can be limited. The unexpected loss of our key personnel or strategic partners, or the inability to retain or recruit skilled personnel could have a material adverse effect on our business and financial condition.

Marketing and Distribution Expertise

Achieving 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 long term success will depend on our ability to expand our current marketing capabilities. We will, among other things, need to attract and retain experienced marketing and sales personnel. No assurance can be given that we will be able to attract and retain such personnel or that any efforts undertaken by such personnel will be successful.

Management Estimates and Assumptions

In preparing the consolidated financial statements in conformity with GAAP and management's discussion and analysis of financial conditions and results of operations, several estimates and assumptions are used by management, including those used in determining the reported amounts of assets and liabilities, revenues and expenses recognized during the periods presented and disclosures of contingent assets and liabilities known to exist as of the date of the financial statements. These estimates and assumptions must be made because certain information that is used in the preparation of such financial statements is dependent on future events, cannot be calculated with a high degree of precision from data available or is not capable of being readily calculated based on generally accepted methodologies. In some cases, these estimates are particularly difficult to determine and we must exercise significant judgment. Actual results for all estimates could differ materially from the estimates and assumptions used by us, which could have a material adverse effect on our financial condition, results of operations and cash flows.

A number of matters set forth in this Prospectus including, without limitation, product performance and costs are based on certain assumptions and estimates made by management. These estimates and assumptions may

prove to be inaccurate.

Foreign Exchange and Interest Rates

We may incur costs in various currencies, particularly in relation to equipment and parts purchased from suppliers overseas. Accordingly, we are subject to risk from fluctuations in the rates of currency exchange between the countries in which we sell our products (which will initially be the United States and Canada) and the countries in which we incur our costs of manufacturing and sales; and such fluctuations may materially affect our business and financial condition.

Industry Risk and Competition

We will compete with other companies which have significantly greater financial and other resources than us, both for sale of our products as well as for the recruitment of qualified personnel. There is no assurance that we will be able to effectively compete with our competitors in the long term. The agricultural equipment market is dominated by a few large companies, all of whom have a number of products already being sold in the industry, and all of whom have a history of operations, revenues and earnings. See "Business of the Company – Competition".

Product Risk

Initially our business will be the manufacture and sale of one product line, based on the *Terra Glide* technology. If our products prove to be ineffective, due to any reason including design flaws, rapid deterioration, or other latent defect, our business, operating results, financial condition or prospects could be adversely affected.

Future Acquisitions

As part of our business strategy, we may seek to grow by acquiring companies and/or assets or establishing joint ventures that we believe will complement our current or future business. We may not effectively select acquisition candidates or negotiate or finance acquisitions or integrate the acquired businesses and their personnel or acquire assets for our business. We cannot guarantee that we can complete any acquisition we pursue on favorable terms, or that any acquisitions completed will ultimately benefit our business.

13. Approval

The Board of Directors of Clean Seed Capital Group Ltd. has approved the disclosures contained in the Management Discussion and Analysis for the period ended June 30, 2011, prepared as at October 28, 2011.

14. Other Information

Additional information relating to the Company can be found on the Canadian Securities Administrators' System for Electronic Document Analysis and Retrieval (SEDAR) database at www.sedar.com