

## Clean Seed Capital Group (TSX.V: CSX) Update to the Shareholders

Dear Shareholders,

August 27, 2018 - We would like to take this opportunity to update you on the progress of the acquisition of Harvest International Inc., and to delve a little deeper into both the acquisition rationale and our strategic thinking going forward. You will recall that on July 17<sup>th</sup> Clean Seed Capital Group (TSX.V: CSX) proudly announced its agreement to acquire U.S. based Harvest International. Acquiring Harvest is part of a broader diversification and strategic growth strategy aimed at expanding Clean Seed's reach into the U.S. planter market and providing a direct path into the international planter market. Harvest has a full suite of market accepted, commercially available offerings that include the highly recognized and widely praised LASERPRO1 and LASERPRO2 planter row technologies; and the fully customizable 40' – 60' planter frames, including the UltraPlant60.

The benefits to acquiring Harvest are far reaching beyond U.S. marketplace expansion. The consolidation of our management and engineering teams, technologies, patent portfolio and production infrastructure will strengthen and reinforce our commitment to the advancement of our award winning CX-6 SMART Seeder platform in Canada and abroad. The former focused technological advantages of both companies will cross pollinate between the CX-6 SMART Seeder and Harvest Planter, blurring the lines between a planter and a seeder, including the introduction of precision singulation metering at the opener for all crops from corn to canola.

Other important points I'd like to communicate are, combining with Harvest:

- expands our robust intellectual patent portfolio with the addition of key farmer focused planter components that provide us a unique advantage in competing in the North American and Global planter marketplace. Harvest is one of the few new entrants in the planter market in 25 years and entered by featuring modular customization designed to integrate with the latest precision planting technology. Historically this 6000-8000 unit per year market in NAR is dominated by only three major manufacturers; John Deere, Case IH and Kinze which represent over 90% of the market sales;
- secures a modern 75,000 square foot state of the art manufacturing facility assuring internal production, quality control and development facilities.
- provides direct access into the Harvest International well developed 120 member regional dealer network across the U.S. The existing network of dealers are committed to the success of the Harvest product line and generating robust sales across the U.S. farming belt.

- expands our offerings across Canada as we are currently implementing plans that offer our Canadian farmers full access to the entire Harvest International product line through our existing dealer network – Rocky Mountain Equipment.
- strengthens the quality, performance and distribution of the CX-6 SMART Seeder

As part of our due diligence, we have worked to source strong financial partners that have expressed a deep commitment to supporting our expansion plans by funding this transaction. As Harvest is an established, operating business, our financing strategy is designed around working with these partners to utilize long-term, patient debt financing to avoid significant shareholder dilution while retaining earnings to grow the business. We are actively working towards closing the transaction which includes completing a financial statement audit to align Harvest as subsidiary for reporting purposes.

As we advance to closing the combination over the coming months we will be announcing our business plan for the combined Clean Seed and Harvest operations, including providing key details on the current and prospective operations to allow shareholders both new and veteran to better evaluate their investment decisions in regard to CSX.V. We also note that since the announcement, Clean Seed personnel have been under a trading black out since there remains limited material information about Harvest available to the marketplace.

The acquisition of Harvest International Inc. is a robust profitable complementary business unit to the CX-6 SMART Seeder and sets the stage for rapid revenue growth while positioning Clean Seed as a future Original Equipment Manufacturer (OEM) and provides a catalyst for additional strategic initiatives. We look forward to further updating you on our progress with Harvest and other related growth opportunities. To our loyal shareholders and the farming community on both sides of the border, thank you for your ongoing support and commitment to our collective mission of disrupting agriculture through technology.

ON BEHALF OF THE BOARD

*"Graeme Lempriere"*

President, CEO

About Clean Seed Capital Group Ltd.

The common shares of Clean Seed Capital Group Ltd. are listed on the TSX Venture Exchange and trade under the symbol "CSX".

We are a team of innovators and business management professionals with a proven track record of game changing innovation and production of patented agricultural technologies at an incredibly high level. We pride ourselves as progress facilitators that quickly turn viable concepts and ideas into commercially viable products that can fulfill demand.

The CX-6 SMART Seeder™ is a revolutionary seeding tool that utilizes the unique synergy of sophisticated electronic metering and intuitive software control putting row-by-row six-meter variable rate technology at the forefront of agricultural innovation. Our innovations create a new class of highly accurate seeding equipment designed specifically for today's farmer.

For further information please contact Clean Seed at 604-566-9895 and visit our website at <http://www.cleaneedcapital.com>.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

This press release is not an offer or a solicitation of an offer of securities for sale in the United States. The common shares of Clean Seed Capital Group Ltd. have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration.

**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION:**

This news release includes certain "forward-looking statements" as defined under applicable Canadian securities legislation. Forward-looking statements herein include, but are not limited to, statements with respect to completing the acquisition of Harvest International, financing strategy for the acquisition, our combined operations and the results of due diligence being satisfactory. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, there is no assurance that the combined operations will be as disclosed herein, if completed, how the acquisition will be financed, or the Company will complete the acquisition, and readers should not place undue reliance on forward-looking statements. Clean Seed disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.