

## Clean Seed Capital (TSX.V: CSX) Letter to the shareholders.

Dear Shareholders,

July 11, 2017 - I would like to take this opportunity to thank our shareholders, farming community, and our partner stakeholders for your continuing dedication and support of our mission to drive technology development in modern agriculture. The purpose of this letter is to provide an update on your Company's progress and to provide insight into the board of directors and management's future plans. It's because of hard work and resilience that Clean Seed will realize growth and amazing opportunities in its next chapter. Our team has built incredible products and related technologies, which has transformed Clean Seed into a recognized brand focused on farmer-driven solutions. We are immensely proud of the fact that we are an organization that is truly farmer owned.

Clean Seed, in parallel with our distribution partner Rocky Mountain Equipment, wrapped up a successful 2017 spring demonstration season with the CX-6 SMART Seeder™. Our objective was to directly demonstrate our technology to the end-user, you, the farmer. We wanted to cover a wide-ranging diversity of soil types and soil conditions across Alberta, Saskatchewan, and Manitoba, and thanks to the tireless efforts of all involved, we did just that. We seeded nine different crop types including canola, wheat, soybeans, and corn. We also put our software and hardware through its paces. I think the biggest contribution was to allow farmers to see our SMART Seeder™ perform in their soil conditions while using their own crop choices which were typically based on agronomic recommendations by third parties.

Farmers observed dramatic seeding and emergence improvements utilizing the CX-6 SMART Seeder™, as compared to their existing seeding equipment. They also saw the faster emergence of side by side seeded crops, as well as exponentially larger root development. These improvements are essential components of the CX-6 SMART Seeder™ competitive advantage.

Farmer feedback has been supportive and extremely constructive, a couple of examples of this are from Dave Hogan at Foremost, AB one of our first demonstration farms: *"I think the CX-6 is a game changer. We are doing a lot of variable rate seeding and the accuracy of the CX-6 makes a huge difference. Seeing canola spaced exactly seed by seed and the way the packers work we should be able to cut our rates in half. Having the six tanks makes cart efficiency excellent"* and Andrew Devloo, Bruxelles, MB: *"I was impressed with the overall simplicity of the drill given its capabilities. I expected something more complex. Well thought design with good trash flow, level field finish, and manoeuvrable in the field. The android operating center was impressive and seemed user friendly."*

The CX-6 SMART Seeder performed especially well with canola this season, an important part of our target market. Canada is the world's largest producer of canola and it has surpassed spring wheat as the largest single crop produced in Canada. Clean Seed looks forward to applying our technological advantages to the Canadian canola grower.

On June 27, 2017, Clean Seed and Rocky Mountain Equipment were invited by senior members of the Canola Council of Canada to perform a Canola seeding demonstration at the Lacombe Research & Development Centre. The event generated an attendance of over 500 people. It brought together growers, scientists, and the very best research and agronomy professionals into one place for a day of interactive in-field learning and interaction with the CX-6 SMART Seeder™.

Canola council members include canola growers, life science companies, grain handling companies, exporters, processors, as well as food and feed manufacturers. All sit at the same table to develop a common platform for growth. I would like to thank the Canola Council of Canada for the invitation and support we received throughout the event. We were very proud of the quality of our seeding demonstrations and believe this event was extremely successful for Clean Seed.

Our seeding demonstrations were not without incidents. However, the farmers were extremely patient and supportive throughout the program. We are a farmer based organization at our core and always appreciate farmer recommended improvements to add to our development cycle. WS Steel, our manufacturing partner, has immediately embarked on a program to work with Clean Seed to implement these recommendations for our 2018 model. The success of our technology is greatly attributed to the hands-on approach we have taken directly with the farming community throughout the development phase. This type of contribution has helped our company avoid catastrophic missteps in our launch.

Clean Seed and Rocky Mountain Equipment are now opening the 2018 Early Innovators Sales Program for Canadian prairie farmers. Both Clean Seed and Rocky Mountain are also developing a fall 2017 On-Farm Demonstration Program to support this initiative. Due to the farmer interest level received by Rocky Mountain and Clean Seed, we are confident we will be putting the CX-6 SMART Seeder™ into the hands of select early innovators for the 2018 season, while building momentum for a major sales push for 2019. I would like to congratulate our development, production, and sales teams on a successful demonstration season, and thank Rocky Mountain Equipment for their valued expertise, contributions, and support. It's because of hard work and resilience that we will realize amazing opportunities in our next chapter.

We are pleased to confirm that we will be progressing with our expansion plan into the US with a demonstration program in Montana. This is scheduled with Torgerson's for Spring 2018. We are excited to be teaming with a group that has deep traditions and roots in Montana. Clean Seed is confident that we have a tremendous partner for our entry into the US.

We have a great team, an exciting technology, and substantial market opportunities. With those assets, we are making progress towards achieving many corporate goals and building sustained value for our shareholders. Part of our asset base is in our deep commitment to develop and protect our intellectual property portfolio. Our SMART seeder technology patent base provides coverage in countries with 2.3 billion tons of crop production (79% of the global production), 1.5 billion acres of crop production (69% of the global production), and annual equipment sales of more than \$5 Billion.

In recent months, we have been cleared for formal grant of patent issuance in Australia, China, Europe, South Africa, and the Ukraine. The remaining applications are in different stages of examination, which reflects different processing times for each patent authority. To date, Clean Seed has not received any prior art claims or exceptions against any of its SMART seeder technology patent applications. Based on the very favorable results from our Patent Cooperation Treaty (PCT) application, we anticipate receiving all patents applied for in due course.

On April 11th 2017 we submitted an additional worldwide patent application under the PCT. This new patent application contains several new proprietary technologies developed by our research and development team to continue the expansion and advancement of our patent portfolio. We are confident that this additional application will successfully broaden our protection and extend the patent life of our SMART seeder technologies. We remain committed to ongoing technology development to advance our Company's technological advantages and to continue to position Clean Seed as a leader in the smart agriculture movement.

Since becoming a public company, we have progressed to perhaps the most exciting time in our company's history. We have concrete partnership structures in place with top tier manufacturing and distribution groups which have evolved into strong working relationships. These partnership structures allowed us to proceed with making management and advisory team additions that are essential to expanding the business.

An important addition has been the appointment of Colin Rush as our Chief Operating Officer. Colin has held senior positions with John Deere, Case IH, and JCB Canada. In 2010, Colin assumed the role of Senior Director of Specialty Business, North America for Case IH, which is one of the world's largest agricultural equipment manufacturers. Case IH has a significant planting and seeding equipment market share in all major marketplaces.

We appointed Ed Mufford as our Chief Technology Officer. During his career, Ed has been a key inventor, contributor, and supporter of teams developing, securing, advancing, and expanding intellectual property, with a specialty towards advanced control systems, electronics, and software innovations. Ed has had significant leadership roles with Ballard Power Systems and Xcellsis. Xcellsis was a joint venture of Ballard, Ford, and Daimler of which Ed was the Director of Engineering where he managed a \$40M project

with 60 technical staff reporting. The projects Ed managed went on to earn in excess of \$100M of revenues.

Gary Anderson has joined our advisory board, in conjunction with making a financial commitment to the company in its recent strategic financing efforts. Gary Anderson co-founded Ag Growth International (AGI) in 1996, served as its COO from start-up and as its CEO from December 2010 to December 2015. From AGI's inception on the Alberta Stock Exchange, to its present form as a TSX listed company with an enterprise value of \$1 Billion, Gary was a driving force behind its strategic direction: the acquisition and integration of 15 business units, the development of AGI's people, and its ongoing operational performance and improvements (generating approximately 40% organic growth). AGI has production facilities across Canada, Midwest United States, United Kingdom, Italy, and Brazil. The company's brands are among the most recognized in global agriculture, in both commercial and farm sectors.

We also welcomed Michael Eyres to our Advisory Board. Michael is a well-respected soil systems engineer with Field Systems Australia, a strategic soil management research and advisory company based in South Australia. Michael strongly believes in the principles of the CX-6 SMART Seeder™ and will be a respected advocate of its benefits to the Australian and Americas agricultural communities. Michael is a great addition to our team as we believe Australia to be an attractive market due to its similarities to Canada and is a natural expansion opportunity.

Our team can evolve, think, innovate, and produce at an incredibly high level, and we pride ourselves as progress facilitators who can efficiently turn innovative ideas into commercially viable products. Our convictions run deep; we designed our team to be a cross functional agricultural group of professionals representing all key user groups in the farming cycle, thus ensuring we are meeting the future farmer needs. We believe we have the right technology, intellectual property, development teams, and specialized focus to drive technology development in modern agriculture. Our initial drive will be to first expand the SMART Seeder™ technologies to address the rest of the seeding and planting equipment marketplace.

I encourage you all to visit our new dynamic websites. Our CX-6 SMART Seeder™ website provides in depth information on our competitive advantage and can be found at [www.cx6smartseeder.com](http://www.cx6smartseeder.com). Our corporate website at [www.cleanseedcapital.com](http://www.cleanseedcapital.com) provides an overview on the foundational elements of Clean Seed, which allows us to achieve scale, enterprise growth and mission success.

This past year is best defined as glory-free essential positioning work where we build the foundation for large scale distribution of the SMART Seeders™. We believe that the true value (based on the market opportunity alone) is not reflected in our share price. This is because foundation building is not the traditional material advancements one expects in a news release. As we look towards our 2018 fiscal year, we believe Clean Seed Capital Group will successfully grow from our SMART Seeder™ technology. I am optimistic

this update letter will shed light on our exciting progress and I look forward to further updating our shareholders in the near future.

Sincerely,

Graeme Lempriere – CEO

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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 the future manufacture and sale of equipment. 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 the manufacturing and sales targets outlined herein will be met; 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.