

A copy of this amended and restated preliminary prospectus has been filed with the securities regulatory authorities in the Provinces of Ontario, Alberta, and British Columbia, but has not yet become final for the purpose of the sale of securities. Information contained in this amended and restated preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authorities.

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This preliminary prospectus constitutes a public offering of the securities only in those jurisdictions where they may be lawfully offered for sale and, in such jurisdictions, only by persons permitted to sell such securities. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws and may not be offered, sold or delivered in the United States unless registered under the U.S. Securities Act and applicable state securities laws except pursuant to exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws. This preliminary prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States. See "The Offering – Plan of Distribution".*

AMENDED AND RESTATED PRELIMINARY PROSPECTUS (amending and restating the preliminary prospectus dated August 22, 2018)

New Issue

November 19, 2018

Sagittarius Capital Corporation

(To be renamed Water Ways Technologies Inc.)

Minimum Offering: 8,000,000 Units (\$2,000,000)

Maximum Offering: Up to 16,000,000 Units (Up to \$4,000,000)

Over-Allotment Option: Up to 15% of Maximum, 2,400,000 Units (\$600,000)

Offering Price: \$0.25 per Unit

This amended and restated prospectus ("**Prospectus**") is being filed with the securities regulatory authorities in the Provinces of Ontario, Alberta and British Columbia to enable Sagittarius Capital Corporation (the "**Company**"), a capital pool company pursuant to Policy 2.4 – *Capital Pool Companies* (the "**CPC Policy**") of the TSX Venture Exchange Inc. (the "**Exchange**"), to complete its Proposed Qualifying Transaction (as defined below). The Company hereby offers for sale to the public in the Provinces of Ontario, Alberta and British Columbia (the "**Offering**") units (the "**Units**") comprised of one common share (each a "**Common Share**", and collectively the "**Common Shares**") of the Resulting Issuer (as defined below) and one half of one common share purchase warrant (each whole warrant, a "**Unit Warrant**") of the Resulting Issuer at a price of \$0.25 per Unit (the "**Offering Price**") for gross proceeds of a minimum of \$2.0 million (8,000,000 Units) (the "**Minimum Offering**") and a maximum of \$4.0 million (16,000,000 Units) (the "**Maximum Offering**"). Each Unit Warrant is exercisable into one Common Share (a "**Warrant Share**") at \$0.40 per Warrant Share for 24 months from the Offering Closing Date (as defined below) (the "**Expiry Date**"). If, following the Offering Closing Date (as defined below), the closing price of the Common Shares on the Exchange is equal to or greater than \$0.42 for any 20 consecutive trading days, the Company may, upon providing written notice to the holders of the Unit Warrants, accelerate the Expiry Date of the Unit Warrants to the date that is 30 days following the date of such written notice (the "**Acceleration Clause**"). The Offering Price was determined by negotiation between the Agent and the Company. The Warrants will be created and issued pursuant to the terms of a warrant indenture (the "**Warrant Indenture**") to be dated as of the Offering Closing Date between the Company and Computershare Trust Company of Canada (the "**Warrant Agent**"). Leede Jones Gable Inc. (the "**Agent**") is the lead agent and sole bookrunner, on a commercially reasonable agency basis for the Offering. The Company has granted the Agent an option to offer up to an additional 15% in Units (2,400,000 additional Units), solely to cover over-allotments, if any (the "**Over-Allotment Option**"), by giving written notice of the exercise of the Over-Allotment Option, or a part thereof, to the Company at any time up to 48 hours prior to the Offering Closing Date. The Units are offered by the Agent pursuant to an agency agreement (the "**Agency Agreement**") dated ●, 2018 among the Company, Irri-Al-Tal (as defined below) and the Agent. See "*Information Concerning the Company – Description of the Securities*" and "*The Offering – Plan of Distribution*".

This Prospectus qualifies the distribution of (i) the Common Shares which form part of the Units to be issued pursuant to the Offering, (ii) the Warrants which form part of the Units to be issued pursuant to the Offering (iii) the Broker Warrants (including the Broker Warrants granted on exercise of the Over-Allotment Option, if any) described below, (iv) the additional Common Shares and Warrants issuable upon the exercise, if any, by the Agent of the Over-Allotment Option described below, and (v) the Common Shares comprising the Stock Success Fees (as defined below).

The closing of the Offering is conditional upon the closing of the Securities Exchange (as defined below), as more particularly described below. See "The Proposed Qualifying Transaction – The Securities Exchange".

Concurrent with the closing of the Offering, the Company intends to acquire all of the issued and outstanding securities of Irri-Al-Tal Ltd. ("Irri-Al-Tal"), a corporation incorporated under the laws of the State of Israel, by way of a securities exchange (the "Securities Exchange", and together with the Offering, the "Proposed Qualifying Transaction"), in exchange for corresponding securities of the Company, pursuant to the Securities Exchange Agreement (as defined below).

The Proposed Qualifying Transaction must be approved by the Exchange in accordance with the CPC Policy. The Company has not commenced commercial operations and has no assets other than cash and its listing on the Exchange. Except as specifically contemplated in the CPC Policy, until completion of the Proposed Qualifying Transaction, the Company has not carried on and will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction as such term is defined by the Exchange. See "Information Concerning the Company – General Development of the Business".

Offering Price: \$0.25 per Unit

	Price to Public			Agent's Commission ⁽¹⁾⁽²⁾			Net Proceeds to the Company ⁽³⁾		
	Minimum Offering ⁽⁴⁾	Maximum Offering	Over-Allotment	Minimum Offering ⁽⁴⁾	Maximum Offering	Over-Allotment	Minimum Offering ⁽⁴⁾	Maximum Offering	Over-Allotment
Per Unit:	\$0.25	\$0.25	\$0.25	\$0.02	\$0.02	\$0.02	\$0.23	\$0.23	\$0.23
Total ⁽⁵⁾ :	\$2,000,000	\$4,000,000	\$4,600,000	\$160,000	\$320,000	\$368,000	\$1,840,000	\$3,680,000	\$4,232,000

Notes:

- (1) The Agent will receive a cash commission (the "Agent's Commission") equal to 8% of the gross proceeds of the Offering. In addition to the Agent's Commission, the Agent will receive broker warrants (the "Broker Warrant") entitling the Agent to purchase that number of Common Shares (the "Agent's Shares") equal to 8% of the number of Units issued under this Prospectus pursuant to the Offering (including any Additional Units (as hereinafter defined) sold pursuant to the Over-Allotment Option) at any time on or before the date that is 24 months following the Offering Closing Date. This Prospectus qualifies the distribution of the Broker Warrants, the distribution of Units issued upon exercise of the Over-Allotment Option, and the Common Shares issuable upon the exercise of Warrants underlying the Units issuable upon the exercise of the Over-Allotment Option. See "The Offering – Plan of Distribution".
- (2) These figures do not include the Agent's expenses that the Company must also pay, including the reasonable fees and disbursements, plus applicable taxes, of the legal counsel to the Agent associated with the Offering. The figures also do not include a corporate finance fee of \$40,000 that the Company paid to the Agent pursuant to the Agent's Engagement Letter (as defined herein). See "The Offering – Plan of Distribution" and "Information Concerning the Resulting Issuer – Use of Proceeds".
- (3) This amount represents the net proceeds to the Company after deducting the Agent's Commission (assuming an 8% commission is paid on all sales) and before deducting the estimated expenses of the Offering of \$250,000, which will be paid out of the proceeds of the Offering.
- (4) The Offering will not be completed unless minimum gross proceeds of \$2,000,000 are raised. See "The Offering – Plan of Distribution".
- (5) The Company has granted to the Agent the Over-Allotment Option to purchase up to an additional 2,400,000 Units (the "Additional Units") at the Offering Price exercisable at the Agent's sole option and without obligation, in whole or in part, at any time up to 30 days after the Offering Closing Date, to cover over-allotments, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the "Price to Public", "Agent's Commission" and "Net Proceeds to the Company" (assuming the Maximum Offering and before deducting the estimated expenses of the Offering) will be \$4,600,000, \$368,000 and \$4,232,000, respectively. This Prospectus qualifies the distribution of the Over-Allotment Option and the distribution of any Additional Units pursuant to the exercise of the Over-Allotment Option, the Common Shares underlying the Additional Units and the Common Shares issuable upon exercise of the Warrants underlying the Additional Units. Unless the context otherwise requires, references herein to the "Offering" and "Units" also includes the Additional Units. A purchaser who acquires securities forming part of the Agent's over-allotment position acquires those securities under this Prospectus, regardless of whether such over-

allotment position is ultimately filled through the exercise of the Over-Allotment Option or through secondary market purchases. See "*The Offering – Plan of Distribution*".

	Maximum Size	Exercise Period	Exercise Price
Over-Allotment Option:	2,400,000 Additional Units	Up to 30 days following the Offering Closing Date	\$0.25 per Additional Unit
Broker Warrants	1,472,000 Agent's Shares ⁽¹⁾	Until the date that is 24 months following the Offering Closing Date	\$0.25 per Agent's Share

Notes:

(1) Assuming exercise of the Over-Allotment Option.

The completion of the Offering is subject to the Minimum Offering. If subscriptions are not received aggregating the Minimum Offering, the Offering will not be completed. Subscription proceeds will be received by the Agent, or by any other securities dealer authorized by the Agent, and will be held by the Agent in trust until the initial closing of the Offering. See "*The Offering – Plan of Distribution*".

The Agent, as lead agent of the Company for the purposes of the Offering, conditionally offers the Units for sale on a commercially reasonable basis and subject to prior sale, if, as and when issued by the Company, in accordance with the conditions contained in the Agency Agreement, and subject to the approval of certain legal matters on behalf of the Company and the Agent by Fogler, Rubinoff LLP and Burnet, Duckworth & Palmer, LLP, respectively.

Subject to applicable laws and in connection with the Offering, the Agent may effect transactions intended to stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail in the open market. Such transactions if commenced, may be discontinued at any time. See "*The Offering – Plan of Distribution*".

Subscriptions will be received subject to rejection or allotment in whole or in part and the right to close the subscription books at any time without notice. The Offering will be discontinued and all subscription funds received by the Agent in connection with the Offering will be returned to subscribers without interest, set-off or deductions in the event that completion of the Offering has not occurred on or prior to the date that is 90 days from the issuance of a receipt for the final Prospectus relating to this Offering or, if a receipt has been issued for an amendment to the final Prospectus, within 90 days of the issuance of such receipt. See "*The Offering – Plan of Distribution*". Except as otherwise required by law or in accordance with certain regulatory requirements, it is anticipated that the Common Shares and Unit Warrants acquired hereunder will be issued under the book-based system. On the Offering Closing Date, certificates representing all of the Common Shares and Unit Warrants will be issued in registered form to the applicable participants (the "**CDS Participants**") in the Canadian Depository for Securities Limited ("**CDS**") depository service, which includes securities brokers and dealers, banks, and trust companies. It is anticipated that such CDS Participants will deposit such certificates with CDS in connection with the book-based system and a global certificate representing the Common Shares and the Unit Warrants, as applicable, will be issued in the name of CDS or its nominee held through the book-based system. A holder of a Common Share or a Unit Warrant participating in the book-based system will not be entitled to a certificate or other instrument from the Company or the Company's transfer agent evidencing that person's interest in or ownership of Common Shares or Unit Warrants, as applicable, nor, to the extent applicable, will such holder be shown on the records maintained by CDS, except through an agent who is a CDS Participant. However, a holder of Common Shares or Unit Warrants participating in the book-based system may, through the applicable CDS Participant, request that such Common Shares or Unit Warrants, as applicable, no longer be held through the book-based system, in which case a certificate representing such Common Shares or Unit Warrants will be issued to such holder as soon as reasonably practicable.

This Prospectus is also being filed with the Exchange under the requirements of the CPC Policy in lieu of a filing statement, which is the document that is typically required for Qualifying Transactions. *Neither the Exchange nor any securities regulatory authority has in any way passed upon the merits of the Proposed Qualifying Transaction described in this Prospectus.*

The Offering is being carried out in connection with the Proposed Qualifying Transaction, and concurrently with closing the Offering the Company will acquire all issued and outstanding shares of Irri-Al-Tal. Please see "*Information Concerning Irri-Al-Tal - General Development of the Business of Irri-Al-Tal*" for a description of Irri-Al-Tal's business and "*Information Concerning the Proposed Qualifying Transaction*". **The closing of the Offering is conditional upon the concurrent closing of the Proposed Qualifying Transaction and raising the amount under the Minimum**

Offering. The Offering Price and terms of the Offering were determined by negotiation between the Company and the Agent.

Immediately prior to the completion of, and as a condition to, the Proposed Qualifying Transaction, and prior to distribution of securities pursuant to the Offering, the Company proposes to consolidate the outstanding common shares in the capital of the Company (the "**Pre-Consolidation Shares**") on the basis of one (1) Common Share for 1.4964285 outstanding Pre-Consolidation Shares (the "**Consolidation**"). The Consolidation is subject to approval of the Exchange and by the Company's shareholders, which approval was obtained at an annual and special meeting of the shareholder of the Company held on August 15, 2018. As of the date of this Prospectus, the Company had 4,190,000 Pre-Consolidation Shares issued and outstanding, which are listed for trading on the NEX board of the Exchange under the symbol "SCX.H".

The Company has applied to list the Common Shares to be issued pursuant to the Offering and the Proposed Qualifying Transaction on the Exchange. Listing will be subject to the Company fulfilling all the listing requirements of the Exchange. The last trading price prior to the Exchange halting trading of Pre-Consolidation Shares for a previous proposed qualifying transaction press release on September 7, 2010 was CAD \$0.05.

INVESTMENT IN THE SECURITIES OF THE COMPANY SHOULD BE REGARDED AS HIGHLY SPECULATIVE DUE TO THE PROPOSED NATURE OF THE COMPANY'S AND THE RESULTING ISSUER'S BUSINESS AND THEIR RESPECTIVE PRESENT STAGE OF DEVELOPMENT. THE COMPANY HAS NEITHER A HISTORY OF EARNINGS NOR HAS IT PAID ANY DIVIDENDS AND IT IS UNLIKELY TO PAY DIVIDENDS IN THE IMMEDIATE OR FORESEEABLE FUTURE.

There is no assurance that the Company will successfully complete the Proposed Qualifying Transaction with Irri-Al-Tal, or even if it does, that Irri-Al-Tal's businesses acquired will be profitable or will succeed. Moreover, additional funds may be required to successfully implement Irri-Al-Tal's business plan and the Company may not be able to obtain such financing. If any additional funds are raised through the issuance of Common Shares from the Company's treasury, control of the Company may change and shareholders may suffer additional dilution. Holders of the Company's securities may be unable to enforce Canadian statutory and civil remedies against non-residents.

If the Proposed Qualifying Transaction is completed, the issuer resulting from the completion of the Proposed Qualifying Transaction (the "Resulting Issuer") will be subject to a number of risks relating to its business. AS A RESULT OF THESE RISK FACTORS, AN INVESTMENT IN SECURITIES OF THE COMPANY IS SUITABLE ONLY TO THOSE INVESTORS WHO CAN AFFORD TO RISK A LOSS OF THEIR ENTIRE INVESTMENT. SEE "INFORMATION CONCERNING THE COMPANY – RISK FACTORS" AND "INFORMATION CONCERNING THE RESULTING ISSUER – RISK FACTORS".

Investors should rely only on the information contained in this Prospectus. The Company has not authorized anyone to provide investors with different information. The Company is not offering the Units in any jurisdiction in which the Offering is not permitted. Investors should not assume that the information contained in this Prospectus is accurate as of any date other than the date of this Prospectus.

Potential investors are advised to consult their own legal counsel and other professional advisors in order to assess income tax, legal and other aspects of this investment based upon their own personal circumstances.

The Company's head and registered office is located at 77 King Street West, Suite 3000, Toronto, Ontario, M5K 1G8.

AGENT

LEEDE JONES GABLE INC.
Suite 1800, 1140 West Pender Street,
Vancouver, B.C. V6E 4G1

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ENFORCEMENT OF CIVIL LIABILITIES

Irri-Al-Tal is a corporation incorporated under the laws of the State of Israel and upon completion of the Proposed Qualifying Transaction, a substantial portion of the Resulting Issuer's assets will be located outside of Canada. Ohad Haber, the promoter, sole director of Irri-Al-Tal and a proposed director of the Resulting Issuer, as well as Ronnie Jaegermann and Yehuda Doron who are all proposed directors of the Resulting Issuer, reside outside of Canada. Although certain of the directors and officers and the Promoter (as defined herein) are resident in a foreign jurisdiction and each have appointed Fogler, Rubinoff LLP, as their agent for service of process in Canada, it may still not be possible for shareholders to effect service within Canada upon those directors and officers and promoter who are not residents of Canada. Furthermore, it may be difficult to realize upon or enforce in Canada any judgment of a court of Canada against Irri-Al-Tal or its directors, officers and promoter who are not residents of Canada since a substantial portion of the Resulting Issuer's assets will be located outside of Canada.

USE OF MARKET AND INDUSTRY DATA

This Prospectus includes market and industry data that has been obtained from third-party sources, including industry publications, as well as industry data prepared by Irri-Al-Tal management on the basis of its knowledge of and experience in the industry in which Irri-Al-Tal operates (including management's estimates and assumptions relating to the industry based on that knowledge). In particular, this Prospectus includes data from "*CEO 360 Degree Perspective on the Global Irrigation Water Systems Market*, by Frost & Sullivan"¹ industry report dated August 1, 2016. Management's knowledge of the industry has been developed through its experience and participation in the industry. Management believes that its industry data is accurate and that its estimates and assumptions are reasonable, but there can be no assurance as to the accuracy or completeness of this data. Third-party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information. Although management believes such data to be reliable, none of the Company or Irri-Al-Tal's management have independently verified any of the data from third-party sources referred to in this Prospectus or ascertained the underlying economic assumptions relied upon by such sources.

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. As it relates to the business of Irri-Al-Tal, and subsequently the Resulting Issuer if the Proposed Qualifying Transaction is completed, the forward-looking statements specifically include, but are not limited to: (i) the dollar values that Irri-Al-Tal expects to realize in its Projects Business Unit as outlined in this Prospectus; (ii) expectations regarding pricing for the products and equipment that Irri-Al-Tal sells; (iii) timeline for developing the Precise Irrigation System; (iv) allocation of the use of proceeds; (v) timing of the roll-out of the Project Financing Sub-Unit; (vi) future technological viability or economic profitability of the Precise Irrigation System. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Prospectus. Such forward-looking statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, the ability of the Company to obtain necessary financing, to satisfy the requirements of the Exchange with respect to the listing and, the economy generally; interest agricultural enterprise operators in the services and products of the Company, competition, and anticipated and unanticipated costs. Such statements could also be materially affected by the impact of regulation of the business, enforcement policies, taxation policies, competition, lack of available and qualified personnel or management, stock market volatility and the ability to access sufficient capital from internal or external sources. While the Company anticipates that subsequent events and developments may cause its views to change, the Company specifically disclaims any obligation to update these forward-looking statements. These forward-looking statements should not be relied upon as representing the Company's views as of any date subsequent to the date of this Prospectus. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause

¹ <https://www.frost.com/prod/servlet/report-brochure.pag?id=MC37-01-00-00-00>

actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The factors identified above are not intended to represent a complete list of the factors that could affect the Company. Additional factors are noted in this Prospectus under "*Information Concerning the Company - Risk Factors*" and "*Information Concerning the Resulting Issuer – Risk Factors*". The Company undertakes no obligation, and does not intend, to update, revise or otherwise publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of any unanticipated events.

CURRENCY EXCHANGE RATES

All references to "\$" or "dollars" in this Prospectus refer to Canadian dollars unless otherwise indicated.

The following table sets out the exchange rates for Canadian dollars per U.S. dollar ("**USD**") in effect at the end of the following periods based on the Bank of Canada spot rate of exchange².

USD	Six months ended June 30, 2018	Year ended December 31,		
		2017	2016	2015
Closing	1.3168	1.0904	1.0287	1.0014
High	1.3310	1.1251	1.0576	1.0604
Low	1.2288	1.0237	0.9710	0.9580
Average	1.2781	1.0733	1.0070	1.0084

On November 16, 2018, the closing spot rate for USD dollars reported by the Bank of Canada was USD \$1.00 = \$1.3154.

The following table sets out the exchange rates for Israeli New Shekels ("₪" or "**NIS**") per Canadian dollar in effect at the end of the following periods based on the Bank of Israel spot rate of exchange³.

NIS	Six months ended June 30, 2018	Year ended December 31,		
		2017	2016	2015
Closing	2.76	2.76	2.85	2.81
High	2.84	2.93	3.03	2.91
Low	2.64	2.61	2.72	2.78
Average	2.76	2.77	2.90	2.83

On November 19, 2018, the closing spot rate for NIS reported by the Bank of Israel was NIS 1.00 = \$2.834.

² As reported by the Bank of Canada, obtained from: <https://www.bankofcanada.ca>

³ As reported by the Bank of Israel, obtained from: <http://www.boi.org.il>

GLOSSARY OF TERMS

In this Prospectus, unless specifically indicated otherwise, the following words and terms shall have the following meanings:

"**ACMPR**" has the meaning ascribed thereto in *"Information Concerning Irri-Al-Tal – Products and Services – Gan Shmuel Project"*.

"**Acceleration Clause**" has the meaning ascribed thereto on the face page of this Prospectus.

"**Additional Units**" has the meaning ascribed thereto on the face page of this Prospectus.

"**Affiliate**" means a company that is affiliated with another company as described below.

A company is an "Affiliate" of another company if:

- (a) one of them is the Subsidiary of the other, or
- (b) each of them is controlled by the same Person.

A company is "controlled" by a Person if:

- (a) voting securities of the company are held, other than by way of security only, by or for the benefit of that Person, and
- (b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the company.

A Person beneficially owns securities that are beneficially owned by:

- (a) a company controlled by that Person, or
- (b) an Affiliate of that Person or an Affiliate of any company controlled by that Person.

"**Agency Agreement**" means an agency agreement that shall be entered into between the Company and the Agent in respect of the Offering.

"**Agent**" means Leede Jones Gable Inc., an IIROC member firm.

"**Agent Engagement Letter**" means an engagement letter dated June 18, 2018 between the Company and the Agent to undertake the Offering.

"**Agent's Commission**" means the cash commission of 8% of the aggregate gross proceeds from the sale of the Units pursuant to the Offering to be paid to the Agent by the Company on the Offering Closing Date.

"**Agent's Shares**" means the Common Shares issuable to the Agent at a price of \$0.25 per Agent's Share upon the exercise of the Broker Warrants.

"**Alpaca**" means Alpaca Resources Inc., a company amalgamated under the laws of the Province of Ontario.

"**Aloni Haft**" means Aloni Haft Holdings Ltd., a financial advisory firm based in Tel-Aviv, Israel.

"**Anti-Bribery and Anti-Corruption Policy**" has the meaning ascribed thereto in *"Information Concerning the Resulting Issuer – Corporate Governance Disclosure – Ethical Business Conduct"*.

"**Arm's Length Transaction**" has the meaning ascribed to such term in Exchange Policy 1.1 – *Interpretation*.

"**Associate**" when used to indicate a relationship with a Person, means

- (a) an issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him or her to more than 10% of the voting rights attached to outstanding securities of the issuer,
- (b) any partner of the Person,
- (c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which a Person serves as trustee or in a similar capacity,
- (d) in the case of a Person that is an individual, a relative of that Person, including:
 - (i) that Person's spouse or child, or
 - (ii) any relative of the Person or of his or her spouse who has the same residence as that Person;
 but where the Exchange determines that two Persons shall, or shall not, be deemed to be Associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Regulation D of the U.S. Securities Act with respect to that Member firm, Member corporation or holding company.

"Bachar Agreement" has the meaning ascribed thereto under *"Information Concerning the Resulting Issuer – Proposed Executive Compensation of the Resulting Issuer - Pension Plan Benefits, and Termination of Employment and Change of Control Benefits"*.

"Board" means the board of directors of the Company or the Resulting Issuer, as the context requires.

"Bresler-Aloni Haft Agreement" means an advisory agreement between Irri-Al-Tal, Yaniv Bresler and Ronnie Jaegermann dated June 22, 2017, as subsequently amended on October 17, 2017 and July 22, 2018, pursuant to which the Bresler-Aloni Haft Initial Fee and Bresler-Aloni Haft Success Fee are payable.

"Bresler-Aloni Haft Initial Fee" means a work fee paid in the form of IAT Shares to Yaniv Bresler, Ronnie Jaegermann and Aloni Haft pursuant to the Bresler-Aloni Haft Agreement, equal to an aggregate of 2,068,390 IAT Shares.

"Bresler-Aloni Haft Success Fee" means a stock success fee to be issued to Yaniv Bresler, Ronnie Jaegermann and Aloni Haft pursuant to Bresler-Aloni Haft Agreement.

"Broker Warrants" means the broker warrants entitling the Agent to purchase such number of Agent's Shares that is equal to 8% of the number of Units sold under the Offering (including any Additional Units issued pursuant to the Over-Allotment Option), each exercisable for a period of 24 months from the date of issuance at \$0.25 per Agent's Share.

"CAGR" means compound annualized growth rate.

"CDS" means Canadian Depository for Securities Ltd.

"CDS Participant" has the meaning ascribed thereto on the face page of this Prospectus.

"Common Shares" means common shares in the capital of the Company after completing the Consolidation.

"Companies Law" has the meaning ascribed thereto in *"Information Concerning the Resulting Issuer - Removal of Directors and Officers of IAT"*.

"Company" means Sagittarius Capital Corporation, a company organized under the OBCA that's classified as a CPC under the CPC Policy.

"company", unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.

"Company Financial Statements" means audited financial statements of the Company for the years ended December 31, 2017, 2016 and 2015, and unaudited financial statements of the Company for the three and six months ended June 30, 2018 and June 30, 2017.

"Company MD&A" means management discussion and analysis of financial condition and results of operations of the Company for the years ended December 31, 2017, 2016 and 2015, and for the three and six months ended June 30, 2018 and June 30, 2017.

"Company Meeting" meaning the annual and special meeting of the Company Shareholder held on August 15, 2018.

"Company Options" means the stock options of the Company issued pursuant to the Stock Option Plan.

"Company Shareholders" means the holders of Pre-Consolidation Shares or Common Shares, as the context requires.

"Component and Equipment Sales Unit" means Irri-Al-Tal's business unit segment that is focused on supplying irrigation technologies to companies that aim to turn infertile land into arable land.

"Concurrent Finder's Warrant" means the finder's warrant issued to qualified finders under applicable securities laws to purchase such number of IAT Shares that is equal to 8% of the number of Concurrent Units sold under the Concurrent Private Placement, each exercisable for a period of 24 months from the date of issuance at a price per IAT Share equal to \$0.50.

"Concurrent Private Placement" means a private placement of Concurrent Units at a price of \$0.50 per Concurrent Unit for gross proceeds of up to \$2,000,000 intended to close immediately prior to closing of the Offering.

"Concurrent Unit" means units issued in the capital of Irri-Al-Tal, each comprised of one IAT Share and one half of one Concurrent Warrant.

"Concurrent Warrant" means one common share purchase warrant which entitles the holder to purchase one IAT Share at an exercise price of \$0.80 per IAT Share at any time on or before the Expiry Date.

"Control Person" means any Person or company that holds or is one of a combination of Persons or companies that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.

"Consideration Comp Options" means compensation options of the Company issued to holders of Initial Financing Finder's Warrants pursuant to the Proposed Qualifying Transaction, entitling the holder to purchase one Common Share and one half of one Consideration Warrant at any time on or before 24 months from the date of issuance of the underlying Initial Financing Finder's Warrant at a price of \$0.175.

"Consideration Finder's Warrants" means finder's warrants of the Company to be issued to the holders of Concurrent Finder's Warrants pursuant to the Proposed Qualifying Transaction, exercisable at any time into Common Shares for a period of 24 months from the Offering Closing Date at the exercise price based on the exchange ratio set out in the Securities Exchange Agreement.

"Consideration Warrants" means common share purchase warrants in the capital of the Company to be issued to the holders of Initial Warrants and Concurrent Warrants pursuant to the Proposed Qualifying Transaction, exercisable at any time into Common Shares for a period of 24 months from the Offering Closing Date at the respective exercise prices based on the exchange ratio set out in the Securities Exchange Agreement.

"Consolidation" means the share consolidation of the Common Shares on the basis of one (1) Common Share for 1.4964285 outstanding Pre-Consolidation Shares.

"CPC" or "Capital Pool Company" means a Capital Pool Company as defined in the CPC Policy.

"**CPC Escrow Agreement**" means the escrow agreement dated January 8, 2008 among the Company, the Escrow Agent and certain shareholders of the Company pursuant to the CPC Policy.

"**CPC Escrow Shares**" means 500,000 Common Shares held in escrow pursuant to Section 11 of the CPC Policy and released in accordance with the applicable provisions of the CPC Escrow Agreement.

"**CPC Policy**" means Policy 2.4 of the Exchange Corporate Finance Manual entitled "Capital Pool Companies".

"**CRA**" has the meaning ascribed thereto in *"The Offering – Certain Canadian Federal Income Tax Considerations"*.

"**CSE**" means Canadian Securities Exchange.

"**Dealer Relationship**" means a relationship that Irri-Al-Tal has with certain OEMs, whereby it has secured distribution rights in certain jurisdictions at a discount to the suggested retail price, but less preferential than the Master Dealer Relationship where Irri-Al-Tal primarily targets end clients, rather than wholesalers.

"**DPSP**" has the meaning ascribed thereto in *"The Offering – Certain Canadian Federal Income Tax Considerations – Eligibility for Investment"*.

"**Escrow Agent**" means Computershare Trust Company of Canada, in its capacities, as the context requires as: (A) escrow agent for the Common Shares held in escrow under the CPC Escrow Agreement; and (B) escrow agent for the QT Escrow Agreement, which shall be either a Value Security Escrow Agreement or Surplus Security Escrow Agreement, as applicable, to be entered into prior to or on QT Closing Date.

"**Exchange**" means the TSX Venture Exchange.

"**Exchange Policy**" means a policy of the Exchange as set out in the Exchange Corporate Finance Manual.

"**Expiry Date**" means the date on which the Unit Warrants and Concurrent Warrants expire, which is 24 months from the issuance thereof, subject to the Acceleration Clause.

"**Eylon Agreement**" has the meaning ascribed thereto under *"Information Concerning the Resulting Issuer – Proposed Executive Compensation of the Resulting Issuer - Pension Plan Benefits, and Termination of Employment and Change of Control Benefits"*.

"**Final Exchange Bulletin**" means the Exchange Bulletin which is issued following the QT Closing Date and the submission of all required documentation and that evidences the final Exchange acceptance of the Proposed Qualifying Transaction.

"**FMI**" means Foundation Markets Inc., a Toronto-based brokerage firm registered as an exempt market dealer that is also an Affiliate of FMICA.

"**FMI CPP Agreement**" means a finder's fee agreement entered into by Irri-Al-Tal and FMI, pursuant to which Irri-Al-Tal has agreed to pay FMI a finder's fee equal to 8% of the gross proceeds raised by FMI in the Concurrent Private Placement and issue a number of Concurrent Financing Warrants equal to 8% of the Concurrent Units to the subscribers in the Concurrent Private Placement introduced by FMI.

"**FMICA**" means FMI Capital Advisory Inc., a private Toronto-based merchant banking and corporate finance advisory firm.

"**FMICA Agreement**" means an advisory agreement between Irri-Al-Tal and FMICA dated December 28, 2017 and amended on April 3, 2018 pursuant to which the FMICA Initial Fee and FMICA Success Fee are payable.

"**FMICA Initial Fee**" means a work fee paid in the form of IAT Shares to FMICA pursuant to the FMICA Agreement, equal to 1,653,571 IAT Shares.

"FMICA Success Fee" means the stock success fee to be issued to FMICA pursuant to FMICA Agreement.

"Haber Agreement" has the meaning ascribed thereto under *"Information Concerning the Resulting Issuer – Proposed Executive Compensation of the Resulting Issuer - Pension Plan Benefits, and Termination of Employment and Change of Control Benefits"*.

"Holder" has the meaning ascribed thereto in *"The Offering – Certain Canadian Federal Income Tax Considerations"*.

"IAT Shares" means ordinary shares in the capital of Irri-Al-Tal.

"IFRS" means the International Financial Reporting Standards as issued by the International Accounting Standards Board.

"IIROC" means Investment Industry Regulatory Organization of Canada, a self-regulatory organization.

"Initial Financing" means private placement of Initial Units, closed in two tranches; one on April 16, 2018 and the other on May 29, 2018.

"Initial Financing Finder's Warrants" means the finder's warrants issued to qualified finders each entitling the holder to purchase one IAT Share and one half of one Initial Warrant, at any time on or before 24 months from the date of issuance at a price equal to the lower of (i) \$0.35 and (ii) the Offering Price.

"Initial Units" means units in the capital of Irri-Al-Tal comprised of one IAT Share and one half of one Initial Warrant.

"Initial Warrant" means one IAT Share purchase warrant which entitles the holder to purchase one IAT Share at an exercise price that is the lower of (i) \$0.55 or (ii) the Offering Price, at any time on or before 24 months from the date of issuance of the Initial Warrant.

"Insider" if used in relation to an issuer, means:

- (a) a director or senior officer of the issuer;
- (b) a director or senior officer of the company that is an insider or Subsidiary of the issuer;
- (c) a person that beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the issuer; or
- (d) the issuer itself if it holds any of its own securities.

"Irri-Al-Tal" or "IAT" means Irri-Al-Tal Ltd. a private company incorporated under the laws of the State of Israel.

"Irri-Al-Tal Financial Statements" means audited financial statements of Irri-Al-Tal for the years ended December 31, 2017, 2016 and 2015, and unaudited financial statements of Irri-Al-Tal for the three and six months ended June 30, 2018 and June 30, 2017.

"Irri-Al-Tal's MD&A" means management discussion and analysis of financial condition and results of operations of Irri-Al-Tal for the years ended December 31, 2017, 2016 and 2015, and for the three and six months ended June 30, 2018 and June 30, 2017.

"Irri-Al-Tal Shareholders" means, collectively, the registered holders of all the IAT Shares.

"IPO" means the offering of 3,690,000 Pre-Consolidation Shares pursuant to the (final) prospectus of the Company dated January 8, 2008.

"Israeli Tax Authority" means is the taxation authority in Israel, an agency of the Ministry of Finance, the main economic ministry of the Government of the State of Israel.

"Israeli Tax Pre-Ruling" means a preliminary ruling that Irri-Al-Tal has requested and obtained from the Israeli Tax Authority in connection with the proposed Securities Exchange with respect to certain Israeli tax withholding obligations that would otherwise apply in regards to the consideration due to holders of IAT Shares and, in particular holders of IAT Shares who are Canadian residents.

"Kama Agrarian" means Kama Agrarian Ltd., a private company incorporated under the laws of the State of Israel which is 45.05% owned by Irri-Al-Tal.

"Kama Agreement" means the agreement dated July 20, 2017 between Kama Agrarian, Irri-Al-Tal and certain Kama Agrarian shareholders pursuant to which Irri-Al-Tal has acquired 45.05% of the ordinary shares in the capital of Kama Agrarian.

"Letter of Intent" means the letter of intent between the Company and Irri-Al-Tal to complete the Securities Exchange, which would constitute the Company's Qualifying Transaction dated December 28, 2017, amended on April 24, 2018 and fully amended and restated on June 21, 2018.

"Master Dealer Relationship" means a relationship that Irri-Al-Tal has with certain OEMs, whereby it is able to secure distribution rights in certain jurisdictions at a substantial discount to the suggested retail price where Irri-Al-Tal targets end clients, small and mid-sized distributors and project implementers.

"Material Adverse Effect" in respect of a Person means any change, effect, event, occurrence, condition or development that has or could reasonably be expected to have, individually or in the aggregate, a material adverse impact on the business, operations, results of operations, assets, capitalization or financial condition of such Person, other than any change, effect event, occurrence or state of facts relating to the global economy or securities markets in general.

"Maximum Offering" has the meaning ascribed thereto on the face page of this Prospectus.

"MD&A" means management's discussion and analysis of financial condition and results of operations.

"Means of Control" is a provision under Israeli corporate law whereby a shareholder who knows that it possesses the power to determine the outcome of a shareholder vote of an Israeli company, and that possesses the power to appoint or prevent the appointment of a director or executive officer of such company has a duty of fairness toward such company.

"Member" has the meaning ascribed to such term in Exchange Policy 1.1 – *Interpretation*.

"MI 61-101" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

"Minimum Offering" has the meaning ascribed thereto on the face of this Prospectus.

"Name Change" has the meaning ascribe thereto in *"Information Concerning Proposed Qualifying Transaction"*.

"Named Executive Officer" has the meaning ascribed to such term in NI 51-102.

"NEX" means the market on which former Exchange issuers that do not meet the Exchange's trading maintenance requirements for Tier 2 Issuers may continue to trade.

"Non-Arm's Length Qualifying Transaction" means a proposed Qualifying Transaction where the same party or parties or their respective Associates or Affiliates are Control Persons in both the CPC and in relation to the Significant Assets which are to be the subject of the Proposed Qualifying Transaction.

"NI 41-101" means National Instrument 41-101 – *General Prospectus Requirements*.

"NI 51-102" means National Instrument 51-102 – *Continuous Disclosure Obligations*.

"NI 52-110" means National Instrument 52-110 – *Audit Committees*.

"NI 58-101" means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

"NP 58-201" means National Policy 58-201 – *Corporate Governance Guidelines*.

"OBCA" means the *Business Corporations Act* (Ontario), as it may be amended from time-to-time, and the regulations promulgated thereunder.

"OEMs" means original equipment manufacturers, being companies that produce parts and equipment which are resold under another company's name and branding.

"Offering" has the meaning ascribed thereto on the face page of this Prospectus.

"Offering Closing Date" means the date of closing which shall be such date designated jointly by the Company, Irri-Al-Tal and the Agent on which the parties shall mutually agree to close the Offering, provided that the Offering will close on or prior to the date that is 90 days from the issuance of a receipt for the (final) Prospectus relating to this Offering or, if a receipt has been issued for an amendment to the (final) Prospectus, within 90 days of the issuance of such receipt.

"Offering Jurisdictions" means the Provinces of Ontario, Alberta and British Columbia.

"Offering Price" means \$0.25 per Unit.

"Over-Allotment Option" has the meaning ascribed thereto on the face page of this Prospectus.

"Parties" means collectively Irri-Al-Tal and the Company.

"Person" or "person" means a company or an individual.

"Precise Irrigation System" means a precision irrigation system that is being developed by Irri-Al-Tal as a part of its Proprietary Technology Licensing Business Plan.

"Pre-Consolidation Shares" means the Common Shares prior to completing the Consolidation.

"Principal" if used in relation to an issuer, means:

- (a) a Person who acted as a Promoter of the issuer within two (2) years or their respective Associates or Affiliates before the IPO prospectus or Final Exchange Bulletin;
- (b) a director or senior officer of the issuer or any of its material operating subsidiaries at the time of the IPO prospectus or Final Exchange Bulletin;
- (c) a 20% holder – a Person that holds securities carrying more than 20% of the voting rights attached to the issuer's outstanding securities immediately before and immediately after the issuer's IPO or immediately after the Final Exchange Bulletin for non-IPO transactions; and
- (d) a 10% holder – a Person that
 - (i) holds securities carrying more than 10% of the voting rights attached to the issuer's outstanding securities immediately before and immediately after the issuer's IPO or immediately after the Final Exchange Bulletin for non-IPO transactions; and
 - (ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the issuer or any of its material operating subsidiaries.

In calculating these percentages, include securities that may be issued to the holder under outstanding convertible securities in both the holder's securities and the total securities outstanding.

A company more than 50% held by one or more Principals will be treated as a Principal. (In calculating this percentage, include securities of the entity that may be issued to the Principals under outstanding convertible securities in both the Principal's securities of the entity and the total securities of the entity outstanding.) Any securities of the issuer that this entity holds will be subject to escrow requirements.

A Principal's spouse and their relatives that live at the same address as the Principal will also be treated as Principals and any securities of the issuer they hold will be subject to escrow requirements.

"Projects Business Unit" means Irri-Al-Tal's business unit segment which is focused on design, installation and maintenance of turnkey irrigation systems for application in various agricultural and aquaculture operations, and includes Project Financing Sub-Unit.

"Project Financing Sub-Unit" means a sub-segment of the Projects Business Unit that is being developed by Irri-Al-Tal, which will be focused on financing a portion of the equipment that is being designed, installed and maintained by Irri-Al-Tal.

"Proprietary Technology Licensing Business Plan" means a business plan that is being developed by Irri-Al-Tal, which will be focused on developing technologies for application in the irrigation space with a goal of licensing them to existing customers in the Projects Business Unit and third parties.

"Promoter" has the meaning set out in the *Securities Act* (Ontario).

"Proposed Qualifying Transaction" means the proposed acquisition by the Company of all of the issued and outstanding securities of Irri-Al-Tal, directly and indirectly, upon the terms and subject to the conditions set forth in the Securities Exchange Agreement as described herein, intended to constitute the Company's Qualifying Transaction in accordance with the CPC Policy.

"Prospectus" means this offering prospectus.

"QT Closing Date" means the date of closing which shall be such date designated jointly by the Company and Irri-Al-Tal on which the parties shall mutually agree to close the Proposed Qualifying Transaction.

"QT Escrow Agreement" means the escrow agreement, which shall be either a Value Security Escrow Agreement or Surplus Security Escrow Agreement, as applicable, in accordance with Exchange Policy 5.4 *Escrow, Vendor Consideration and Resale Restrictions* between the Company, the Escrow Agent, certain Irri-Al-Tal Shareholders who will be Principals of the Company upon completion of the Proposed Qualifying Transaction, and certain other individuals as determined by the Exchange.

"Qualifying Transaction" has the meaning ascribed thereto in the CPC Policy.

"Registered Plan" has the meaning ascribed thereto in *"The Offering – Certain Canadian Federal Income Tax Considerations– Eligibility for Investment"*.

"Regulations" has the meaning ascribed thereto in *"The Offering – Certain Canadian Federal Income Tax Considerations"*.

"Related Party Transaction" has the meaning ascribed thereto in MI 61-101.

"Reorganization" has the meaning ascribed thereto in *"The Offering – Description of the Securities being Distributed – Unit Warrants"*.

"Resident Holder" has the meaning ascribed thereto in *"The Offering – Certain Canadian Federal Income Tax Considerations"*.

"Resulting Issuer" means the Company upon completion of the Proposed Qualifying Transaction.

"**Seamless**" means Tianjin City Tian Yi Seamless Tube Manufacturing Co., Ltd., a company based in the People's Republic of China.

"**Securities Exchange**" means a transaction that shall occur pursuant to the Securities Exchange Agreement concurrently with closing of the Proposed Qualifying Transaction, whereby holders of IAT Shares shall exchange all issued and outstanding IAT Shares for Common Shares.

"**Securities Exchange Agreement**" means an agreement dated August 21, 2018 entered into by the Company, Irri-Al-Tal and Irri-Al-Tal shareholders, pursuant to which the Parties have agreed to, among other things, complete the Securities Exchange.

"**SEDAR**" means The System for Electronic Document Analysis and Retrieval, a mandatory document filing and retrieval system for Canadian investment funds and public companies.

"**Severance Pay Law**" means Section 14 of Severance Pay Law, 5723-1963 enacted by the State of Israel, Ministry of Labour and Social Affairs, Division of Labour Relations in 1963 and amended in 1988.

"**Significant Assets**" means one or more assets or businesses which, when purchased, optioned or otherwise acquired by the capital pool company, together with any other concurrent transactions, would result in the Capital Pool Company meeting the initial listing requirements of the Exchange.

"**Stock Option Plan**" means the incentive stock option plan adopted by the Company, which provides that the Board may from time-to-time, in its discretion, and in accordance with the Exchange Policies, grant to directors, officers, employees, and consultants to the Company, non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares.

"**Stock Success Fees**" means the FMICA Success Fee and Bresler-Aloni Haft Success Fee.

"**Subsidiary**" shall have the same meaning as the term "subsidiary companies" in the *Securities Act* (Ontario).

"**Surplus Security Escrow Agreement**" has the meaning ascribed thereto in *"Information Concerning the Resulting Issuer – Escrowed Securities of the Resulting Issuer"*.

"**TASE**" means Tel-Aviv Stock Exchange.

"**Tax Act**" has the meaning ascribed thereto in *"The Offering – Certain Canadian Federal Income Tax Considerations– Eligibility for Investment"*.

"**Tier 2 Issuer**" has the meaning given to it in Exchange Policy 2.1 – *Initial Listing Requirements*.

"**TSX**" means Toronto Stock Exchange.

"**Unit**" has the meaning ascribed thereto on the face page of this Prospectus.

"**Unit Warrant**" means one Common Share purchase warrant which entitles the holder to purchase one Common Share at an exercise price of \$0.40 per Common Share at any time on or before the Expiry Date.

"**United States**" means United States of America or any territory or possession thereof.

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended.

"**Value Securities**" means securities issued pursuant to a transaction, for which the deemed value of the securities at least equals the value ascribed to the asset, using a valuation method acceptable to the Exchange, or securities which are otherwise determined by the Exchange to be Value Securities and required to be placed in escrow under a Value Security Escrow Agreement.

"Value Security Escrow Agreement" has the meaning ascribed thereto in *"Information Concerning the Resulting Issuer – Escrowed Securities of the Resulting Issuer"*.

"Warrant Agent" means Computershare Trust Company of Canada at its principal office in Toronto, Ontario.

"Warrant Indenture" means the warrant indenture to be entered into between the Company and the Warrant Agent.

"Warrant Share" has the meaning ascribed thereto on the face page of this Prospectus.

"Zada Agreement" has the meaning ascribed thereto under *"Information Concerning the Resulting Issuer – Proposed Executive Compensation of the Resulting Issuer - Pension Plan Benefits, and Termination of Employment and Change of Control Benefits"*.

SUMMARY

This summary highlights selected information contained elsewhere in this Prospectus and is qualified in its entirety by the more detailed information and financial statements included elsewhere in this Prospectus. It does not contain all of the information that may be important to you and your investment decision. You should carefully read this entire Prospectus, including the matters set forth under "Information Concerning the Resulting Issuer – Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements and related notes.

The Company

The full corporate name of the Company is Sagittarius Capital Corporation. The Company was incorporated pursuant to articles of incorporation dated April 20, 2007 under the OBCA. The Company is a CPC, which completed its initial public offering on February 6, 2008, by way of a prospectus dated January 8, 2008. The Company sold 3,690,000 Common Shares at a price of \$0.20 per Common Share pursuant to such prospectus, raising gross proceeds of \$738,000. The Common Shares became eligible to commence trading on the Exchange on February 14, 2008. The registered and head office of the Company is located at 77 King Street West, Suite 3000, Toronto, Ontario, M5K 1G8. The Company has no Subsidiaries.

The Company's principal business is to identify and evaluate opportunities for the acquisition of an interest in assets or businesses with a view to completing a Qualifying Transaction and, once identified and evaluated, to negotiate an acquisition or participation in such assets or businesses. Until the completion of the Qualifying Transaction, the Company will not carry on business other than the identification and evaluation of assets or businesses in connection with a potential Qualifying Transaction. The Proposed Qualifying Transaction is intended to be the Company's Qualifying Transaction. For information on the proposed principal business to be conducted following the Proposed Qualifying Transaction, see *"Information Concerning the Resulting Issuer – General Description of The Business of The Resulting Issuer"*.

Irri-Al-Tal

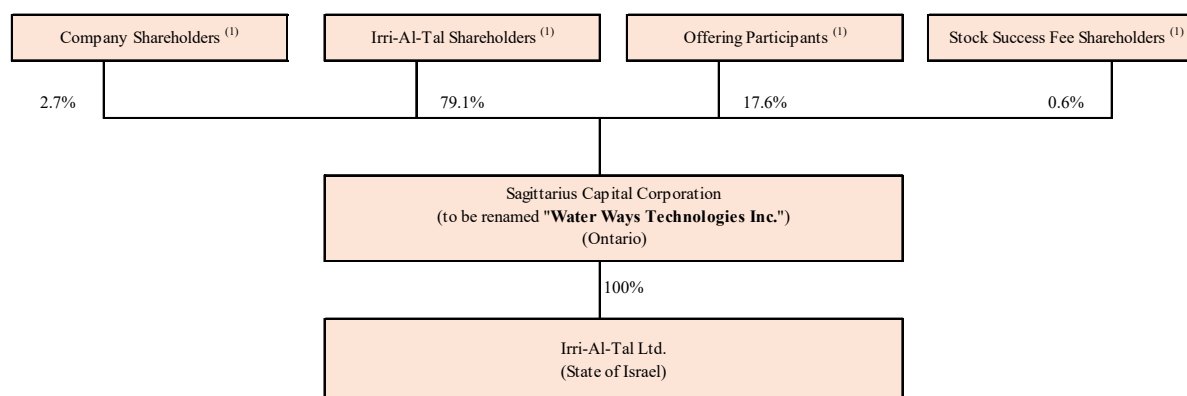
Irri-Al-Tal was incorporated on November 10, 2003 under the laws of the State of Israel. Irri-Al-Tal's registration number is 513467944, with its registered and head office address at P.O.B. 7 Kibbutz Ramat-David 3658700, Israel. On February 26, 2018, Irri-Al-Tal filed with the State of Israel Department of Justice Corporations Authority an approval of registration of notice of increase of registered capital to increase its authorized share count from 50,000 IAT Shares to 100,000,000 IAT Shares. On April 8, 2018, Irri-Al-Tal completed a share split of 285,000 for 1, which increased the issued and outstanding shares of Irri-Al-Tal to 28,500,000 IAT Shares each with a par value of NIS 0.0000035, and authorized IAT Shares to 28,500,000,000,000.

Irri-Al-Tal is an agriculture technology company that specializes in providing water irrigation solutions to agricultural producers. Irri-Al-Tal competes in the global irrigation water systems market with a focus on developing solutions with commercial applications in the micro and precision irrigation segments of the overall market. According to the global market research and consulting firm Frost & Sullivan, the irrigation water systems market totaled approximately USD \$10 billion in 2016 and is anticipated to grow at a 7.7% CAGR through 2021⁴. At present, Irri-Al-Tal's main revenue streams are derived from the following business units: (i) Projects Business Unit, and (ii) Component and Equipment Sales Unit. Please see *"Information Concerning Irri-Al-Tal – General Description of the Business of Irri-Al-Tal – Products and Services"* for more information regarding Irri-Al-Tal's business and business units.

⁴ <https://www.frost.com/prod/servlet/report-brochure.pag?id=MC37-01-00-00-00>

Intercorporate Relationships

The following chart displays the intercorporate relationships between the Resulting Issuer and its material Subsidiaries following completion of the Proposed Qualifying Transaction.



Notes:

- (1) On basic undiluted basis, assuming that the Maximum Offering is achieved, the Over-Allotment Option is exercised in full and the Concurrent Private Placement is fully subscribed.

The Proposed Qualifying Transaction, Securities Exchange, Consolidation and Name Change

The Company has identified the Proposed Qualifying Transaction with Irri-Al-Tal as an appropriate transaction for the purpose of completing its Qualifying Transaction as required under the CPC Policy. The Proposed Qualifying Transaction will be completed by way of the Securities Exchange Agreement, pursuant to which the Company will acquire all issued and outstanding IAT Shares and Irri-Al-Tal will become a wholly owned Subsidiary of the Company. The completion of the Proposed Qualifying Transaction is subject to, among other things, prior satisfaction or waiver of a number of conditions, including completion of the Minimum Offering, the final Exchange acceptance of the Proposed Qualifying Transaction, completion of the Consolidation and the satisfaction or waiver of the conditions in the Securities Exchange Agreement. Upon completion of the Proposed Qualifying Transaction, the Resulting Issuer is expected to meet all of the Exchange's minimum listing requirements. The Proposed Qualifying Transaction is intended to serve as the Company's Qualifying Transaction under the CPC Policy. The Proposed Qualifying Transaction does not constitute a Non-Arm's Length Qualifying Transaction pursuant to the definition of such term in the CPC Policy and is not a Related Party Transaction under MI 61-101. Consequently, the Proposed Qualifying Transaction does not require any approval of Company Shareholders.

On August 21, 2018, the Company entered into the Securities Exchange Agreement with Irri-Al-Tal, whereby Irri-Al-Tal and holders of IAT Shares have agreed to, among other things, exchange all issued and outstanding IAT Shares on the basis of two post-Consolidation Common Shares for each IAT Share. The Company will also issue 9,000,000 Consideration Warrants, 800,000 Consideration Comp Options and 640,000 Consideration Finder's Warrants, in exchange for 2,500,000 Initial Warrants, 2,000,000 Warrants, 400,000 Initial Financing Finder's Warrants and 320,000 Concurrent Finder's Warrants (assuming that the Concurrent Private Placement is fully subscribed), in accordance with their terms.

Pursuant to the Securities Exchange Agreement, the deemed value ascribed to the Company shall be \$700,000 based on the currently issued and outstanding Pre-Consolidation Shares), and the deemed value ascribed to Irri-Al-Tal shall be approximately \$19,000,000, plus the gross proceeds of the Concurrent Private Placement (if any), which would be approximately \$21,000,000 assuming that the Concurrent Private Placement is fully subscribed and assuming that no value is attributed to the convertible securities. Upon completion of the Securities Exchange, and subject to the seed share resale rules of the Exchange, it is expected that shareholders of both the Company and Irri-Al-Tal will hold freely tradable shares of the Resulting Issuer listed on the Exchange, with the exception of insiders of the Company and Irri-Al-Tal who will be subject to escrow provisions under the policies of the Exchange. The Securities Exchange will effectively provide for the acquisition of all of the outstanding equity interests of Irri-Al-Tal by the Company in a transaction in which the security holders of Irri-Al-Tal will receive securities of the Resulting Issuer. As a result of the Securities Exchange, the Company will become the sole registered and beneficial owner of all of the outstanding securities of Irri-Al-Tal and Irri-Al-Tal will become a wholly-owned Subsidiary of the Company. Please see

"Information Concerning Proposed Qualifying Transaction" for more information regarding the Proposed Qualifying Transaction and the Securities Exchange.

Immediately prior to the completion of, and as a condition to, the Securities Exchange, the Company proposes to consolidate the outstanding Pre-Consolidation Shares on the basis of one (1) Common Share for 1.4964285 outstanding Pre-Consolidation Shares. The Consolidation was approved at the Company Meeting and remains subject to approval of the Exchange.

It is intended that, immediately prior to the completion of the Securities Exchange, the Company will change its name to "Water Ways Technologies Inc."

The Offering

Offering Price: \$0.25 per Unit

Offering: Maximum Offering of up to 16,000,000 Units to purchasers residing in the Offering Jurisdictions for gross proceeds of a maximum of \$4,000,000; Minimum Offering of 8,000,000 Units to purchasers residing in the Offering Jurisdictions for gross proceeds of a minimum of \$2,000,000. The Units will be offered to the public in the Offering Jurisdictions, on a commercially reasonable agency basis by the Agent. Each Unit will be comprised of one Common Share and one-half of one Unit Warrant, with each whole Unit Warrant being exercisable into one Common Share at an exercise price of \$0.40 at any time on or prior to the Expiry Date, subject to the Acceleration Clause. **If less than the Maximum Offering is subscribed for on the Offering Closing Date, subsequent closings may be held at such times, as the Company, Irri-Al-Tal and the Agent may agree, provided that such subsequent closings occur within 30 days of the initial closing of the Offering.** See "*The Offering - Plan of Distribution*".

Agent's Commission: The Agent will be paid the Agent's Commission, equal to 8% of the gross proceeds raised pursuant to the Offering. In addition, the Agent will receive the Broker Warrants entitling the Agent to purchase that number of Agent's Shares that is equal to 8% of the number of Units issued pursuant to the Offering at an exercise price equal to the Offering Price. See "*The Offering - Plan of Distribution*".

Over-Allotment Option: The Company has granted the Over-Allotment Option to the Agent solely to cover over-allotments, if any, and for market stabilization purposes. This Prospectus also qualifies both the grant of the Over-Allotment Option, the issuance of securities upon exercise of such option, and any underlying securities. See "*The Offering - Plan of Distribution*".

Closing: The Offering Closing Date is expected to occur on or about December 31, 2018 or such later date as the Company and the Agent may agree.

Use of Proceeds: Upon completion of the Offering, assuming that no funds are raised under the Concurrent Private Placement and assuming net proceeds under the Offering equal to \$1,840,000 in the case of the Minimum Offering and \$3,680,000 in the case of the Maximum Offering (\$4,232,000 assuming completion of the Maximum Offering and the Over-Allotment Option), and after giving effect to the Securities Exchange (including the expenses associated therewith), the Resulting Issuer is expected to have total funds available to it as outlined in the table below, assuming that no funds are raised pursuant to the Concurrent Private Placement:

Source	Minimum Offering	Maximum Offering	Maximum Offering including over full exercise of the Over-Allotment Option
Estimated Net Proceeds from the Offering ⁽¹⁾	\$1,840,000	\$3,680,000	\$4,232,000
Estimate of Consolidated Pro Forma Working Capital of the Resulting Issuer as at October 31, 2018 ⁽²⁾	\$2,565,508	\$2,565,508	\$2,565,508
Total:	\$4,405,508	\$6,245,508	\$6,797,508

Notes:

(1) Gross proceeds of the Offering net of the Agent's Commission.

(2) Based on unaudited internal estimate prepared by the management and converted into CAD at the prevailing USD:CAD exchange rate of 1.3142 on October 31, 2018 and excluding the funds raised under the Concurrent Private Placement (if any) and including estimated expenses relating to the Offering of \$250,000.

Assuming that the Concurrent Private Placement is fully subscribed, the Resulting Issuer is expected to have total funds available to it of:

Sources	Minimum Offering	Maximum Offering	Maximum Offering including over full exercise of the Over-Allotment Option
Estimated Net Proceeds from Offering ⁽¹⁾	\$1,840,000	\$3,680,000	\$4,232,000
Estimated Net Proceeds from the Concurrent Private Placement	\$1,840,000	\$1,840,000	\$1,840,000
Estimate of Consolidated Pro Forma Working Capital of Resulting Issuer as at October 31, 2018 ⁽²⁾	\$2,565,508	\$2,565,508	\$2,565,508
Total	\$6,245,508	\$8,085,508	\$8,637,508

(1) Gross proceeds of the Offering net of the Agent's Commission.

(2) Based on unaudited internal estimate prepared by the management and converted into CAD at the prevailing USD:CAD exchange rate of 1.3142 on October 31, 2018 and excluding the funds raised under the Concurrent Private Placement (if any) and including estimated expenses relating to the Offering of \$250,000.

The Resulting Issuer's principal business objectives include becoming a global leader in providing services to small and medium agricultural businesses in emerging markets. The Resulting Issuer intends to use the net proceeds from the Offering together with its existing cash as follows, assuming that no funds are raised pursuant to the Concurrent Private Placement:

Uses	Amount of Funds after Share Exchange and Offering		
	Minimum Offering	Maximum Offering	Maximum Offering and Over-Allotment
Open Marketing Offices - establish up to 3 new marketing offices			
Mexico	\$500,000	\$500,000	\$500,000
Balkans	\$450,000	\$450,000	\$450,000
China	\$750,000	\$750,000	\$750,000
Project Finance Initiatives - finance up to 3 turn-key Smart Irrigation projects			
Colombia - Open Field Avocado	\$850,000	\$850,000	\$850,000
Argentina - Open Field Wine Grapes	\$350,000	\$350,000	\$350,000
Colombia - Open Blueberries		\$850,000	\$850,000
Precise Irrigation Technology - Finalize R&D efforts and commercialize.	\$350,000	\$600,000	\$600,000
General Working Capital	\$500,000	\$500,000	\$500,000
Unallocated Working Capital	\$655,508	\$1,395,508	\$1,947,508
Total	\$4,405,508	\$6,245,508	\$6,797,508

The Resulting Issuer intends to use the net proceeds from the Offering together with its existing cash as follows, assuming that the Concurrent Private Placement is fully subscribed:

Uses	Amount of Funds after Share Exchange and Offering		
	Minimum Offering	Maximum Offering	Maximum Offering and Over-Allotment
Open Marketing Offices - establish up to 3 new marketing offices			
Mexico	\$500,000	\$500,000	\$500,000
Balkans	\$450,000	\$450,000	\$450,000
China	\$750,000	\$750,000	\$750,000
Project Finance Initiatives - finance up to 3 turn-key Smart Irrigation projects			
Colombia - Open Field Avocado	\$850,000	\$850,000	\$850,000
Argentina - Open Field Wine Grapes	\$350,000	\$350,000	\$350,000
Colombia - Open Blueberries		\$850,000	\$850,000
Precise Irrigation Technology - Finalize R&D efforts and commercialize.	\$350,000	\$600,000	\$600,000
General Working Capital	\$500,000	\$500,000	\$500,000
Unallocated Working Capital	\$2,495,508	\$3,235,508	\$3,787,508
Total	\$6,245,508	\$8,805,508	\$8,637,508

Notwithstanding the proposed uses of funds as discussed above, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. It is difficult, at this time, to definitively project the total funds necessary to effect the planned activities of the Resulting Issuer. For these reasons, it is in the best interests of the Resulting Issuer and its shareholders to afford management a reasonable degree of flexibility to allocate the funds among the uses identified above, or for other purposes (including acquisitions to increase the Resulting Issuer's customer and product base and to strengthen and build its infrastructure), as the need arises. Further, the above uses of available funds should be considered estimates. The Resulting Issuer may require additional funds in order to fulfill all of its expenditure requirements to meet its objectives. Net proceeds to be raised therefrom (if any) will be used for unallocated working capital. See *"Information Concerning the Resulting Issuer – Risk Factors"*. There is no assurance that any additional funding required by the Resulting Issuer will be available on economical terms or at all. However, it is anticipated that the available funds will be sufficient to satisfy the Resulting Issuer's objectives over the 12 months following completion of the Offering. See *"The Offering – Plan of Distribution"* and *"Information Concerning the Resulting Issuer – Available Funds and use of Proceeds"*.

Agent: Leede Jones Gable Inc.

Description of the Securities Being Distributed

This Prospectus qualifies the distribution of: (i) up to a maximum of 16,000,000 Common Shares which form part of the Units; (ii) up to a maximum of 8,000,000 Unit Warrants which form part of the Units; (iii) the grant of up to 1,280,000 the Broker Warrants; (iv) up to an additional 2,400,000 Common Shares and 1,200,000 Unit Warrants which form part of the additional Units issuable on exercise, if any, by the Agent of the Over-Allotment Option, including the Common Shares underlying the Unit Warrants; and (v) the Common Shares comprising the Stock Success Fees. See *"Information Concerning the Proposed Qualifying Transaction – The Securities Exchange and The Securities Exchange Agreement – Pro-Forma Capitalization"* and *"The Offering – Plan of Distribution"*.

Concurrent Private Placement

Immediately prior to completion of the Securities Exchange and the Offering, Irri-Al-Tal intends to complete a private placement of Concurrent Units at a price of \$0.50 per Concurrent Unit for gross proceeds of up to \$2,000,000. Each Concurrent Unit will be comprised of one IAT Share and one half of one Concurrent Warrant. Each whole Concurrent

Warrant will entitle the holder thereof to purchase one IAT Share at an exercise price of \$0.80 at any time on or before the date that is 24 months following the issuance thereof. Irri-Al-Tal has also agreed to pay finder's fees equal to 8% of the gross proceeds raised under the Concurrent Private Placement and issue a number of Concurrent Finder's Warrants equal to 8% of the Concurrent Units issued under the Concurrent Private Placement. Each Concurrent Finder's Warrant will be exercisable into one IAT Share for a period of 24 months from the date of issuance at a price per IAT Share equal to \$0.50. Securities issued in the Concurrent Private Placement will be exchanged for Common Shares, Consideration Warrants and Consideration Finder's Warrants, respectively. There is no minimum amount to be raised under the Concurrent Private Placement. The net proceeds of the Concurrent Private Placement will be used for general working capital purposes and marketing. There is no minimum amount to be raised under the Concurrent Private Placement. Irri-Al-Tal entered into the FMI CPP Agreement with FMI to assist with the Concurrent Private Placement.

Success Fees Issuances

Irri-Al-Tal has entered into agreements with certain of its advisors, pursuant to which such advisors will be entitled to receive certain success fees in the form of Common Shares upon Irri-Al-Tal completing a going public transaction, including the Proposed Qualifying Transaction. The Stock Success Fees will be issued under the terms of Bresler-Aloni Haft Agreement and FMICA Agreement and are subject to the Exchange approval. See "*Information Concerning Proposed Qualifying Transaction*" and "*Information Concerning the Company – Description of Securities – Proposed Securities Issuances.*"

Directors and Executive Officers of the Resulting Issuer:

Subject to Exchange approval, on completion of the Proposed Qualifying Transaction, the following individuals will be the directors and/or officers of the Resulting Issuer:

Ohad Haber, CEO and Director, 61 years of age – Mr. Haber has thirty years of experience in project management sales and marketing in the agricultural industry. Prior to founding Irri-Al-Tal, between 1997 and 2002 Mr. Haber served as sales and operations manager of Latin America Region at Dan Sprinklers Ltd. - an Israeli manufacturer of sprinklers and irrigation systems, which merged with NaanDan Irrigation Systems (C.S.) Ltd. in 2007 to form NaanDanJain Irrigation C.S. Ltd. ("**NaanDanJain**") Between 1992 and 1997 Mr. Haber served as the Head of Israel sales and marketing for Metzerplas Ltd. ("**Metzerplas**") an Israeli manufacturer of drip irrigation systems. Mr. Haber has extensive operational experience in the area of open field and vineyard farms irrigation.

Meira Zada, CFO, 41 years of age – Ms. Zada oversees Irri-Al-Tal's finance team, including analytics, planning, and accounting. She is a certified public accountant and has over thirteen years of public accounting experience. Between January 2012 and January 2013 Ms. Zada served as the CFO of SuperCom Ltd. (NASDAQ:SPCB). Between January 2004 and December 2010 Ms. Zada served as a financial controller at Elspec Ltd. a company listed on the TASE. Ms. Zada is an Israeli CPA and holds a BA in Accounting and Economics from the Ruppin Academic Center in Israel.

Amir Eylon, Vice President of Operations and Projects, 52 years of age – Mr. Eylon has thirty years of experience in the areas of pressurized irrigation and agricultural products. He brings experience designing and managing the installation of turnkey irrigation projects located in developing regions and has developed a knowledge of market dynamics within the emerging markets as a result. Prior to joining Irri-Al-Tal in November 2005, Mr. Eylon served as an operations manager of Metzerplas in South America. Mr. Eylon holds a BA in Business Administration from the Ruppin Academic Center in Israel.

Tomer Bachar, Chief Technology Officer, 35 years of age – Mr. Bachar is Irri-Al-Tal's Chief Technology Officer and also supports the marketing department. Prior to joining Irri-Al Tal in July 2017, Mr. Bachar held the position of Water System and Irrigation Engineer with Metzerplas, as well as in NaanDanJain designing irrigation and water supply systems for numerous projects. Mr. Bachar has also managed several irrigation projects in eastern Ethiopia. Mr. Bachar has a BSc in Water and Agriculture Engineering from the Haifa Technion, Israel's Institute of Technology.

Ronnie Jaegermann, Director, 57 years of age – Mr. Jaegermann has been the Chief Executive Officer and Head of Investment Banking Advisory at Aloni Haft, a Tel-Aviv-based boutique investment bank focused on fund raisings for Israeli companies in international capital markets, since 2014. He has led multiple businesses in growing them from start-up to profitable companies that became take-out targets. Between November 2012 and October 2013, Mr. Jaegermann was the Chief Executive Officer of JNH International Ltd., a company that manufactures, markets and sells Disney licensed children furniture and toddler and junior Disney bed linen. Mr. Jaegermann holds a BA in Economics and Political Science from Tel Aviv University. Mr. Jaegermann is a mentor at the Keren Shemesh foundation, a non-profit organization assisting young entrepreneurs in establishing new businesses.

Yehuda Doron, Director, 59 years of age – Mr. Doron founded and assisted in running several businesses based in Israel in his capacity as an advisor. He is currently a Managing Director at Medton Hedim - a hearing aid retail and manufacturing company and a Chairman of Polymer G, a chemical company. Formerly, Mr. Doron served as a partner at Orr Community Ventures – USD \$40M fund providing equity capital to SMEs located in Israel's most under-developed regions, and as a CEO of various retail and manufacturing businesses. Between November 2004 and November 2010, Mr. Doron served as an independent non-executive director of Emilia Development (O.F.G) Ltd., an investment company listed on the TASE. Mr. Doron holds a BA in Business Administration and Economics from Tel Aviv University.

James Lanthier, Director, 44 years of age – Mr. Lanthier has been the Chief Executive Officer and a Director of Tangelo Games Corporation ("**Tangelo**") (TSXV: GEL) from September 2015. From January 2015 to September 2015, Mr. Lanthier was the CEO of RAM Equity LP ("**RAM**"), an investment partnership focused on middle market media and technology investments. Prior to RAM, Mr. Lanthier was a member of the founding management team of Mood Media Corp. ("**Mood**"). Mr. Lanthier was the Chief Operating Officer of Mood between January 2008 and February 2013 and a non-executive Director of Mood between January 2013 and June 2016. Prior to Mood, Mr. Lanthier co-founded FUN Technologies, a casual games business which he helped lead as Chief Financial Officer through its initial public offering on the TSX and London Stock Exchanges through its eventual sale to Liberty Media. Mr. Lanthier holds an MBA from the Rotman School of Management at the University of Toronto and a BA (Honours) from Queens University.

Adam K. Szweras, Secretary and Director, 46 years of age – Mr. Szwera is a securities law partner with Fogler, Rubinoff LLP in Toronto and Chairman of FMI, a Toronto based merchant bank and brokerage firm. His law practice focuses on financings and going public transactions, and in his banking practice, he works closely to build, invest in, and develop emerging business. Mr. Szwera represents and sits on the boards of several mid-market public companies and assists companies in listing on the TSX, the Exchange, and the Canadian Securities Exchange. He has a particular expertise with cross border mid-market transactions and often acts as a strategic advisor to his clients. Mr. Szwera works with public and private companies active in marijuana markets in Canada and the United States as well as companies with businesses in energy transmission, oil and gas and alternative energy, technology, and food producers. Mr. Szwera has experience in representing clients in Canada and the United States as well as South America, China and South Asia. Mr. Szwera both joined Fogler, Rubinoff LLP and founded the Foundation Markets Group in 2006. Mr. Szwera was called to the Ontario Bar in 1996 and has authored numerous papers and articles relating to Canadian and foreign securities and corporate law.

Interests of Insiders, Promoters or Control Persons:

No Insider, Promoter or Control Person of the Company or its Associates and Affiliates (before giving effect to the Securities Exchange) has any interest in Irri-Al-Tal.

Arm's Length Transaction

The Proposed Qualifying Transaction does not constitute a Non-Arm's Length Qualifying Transaction (as defined by the CPC Policy) and does not require the approval of the shareholders of the Company. However, the approval of the Company Shareholders of, among other things, the Name Change and the Consolidation is a condition of closing in favour of Irri-Al-Tal. The Company held the Company Meeting at which such matters were approved.

Pro Forma Capitalization

The completion of the Consolidation, the Offering, the Securities Exchange and assuming that the Concurrent Private Placement is fully subscribed, will result in the Resulting Issuer having the following securities issued and outstanding:

Designation of Security	Amount Authorized	Outstanding After Giving Effect to the Securities Exchange and Offering		
		Minimum Offering	Maximum Offering	Maximum Offering and Over-Allotment
Common Shares ⁽¹⁾	Unlimited	93,201,200	101,706,800	104,258,480
Consideration Warrants	N/A	9,000,000	9,000,000	9,000,000
Consideration Comp Options	N/A	800,000	800,000	800,000
Consideration Finder's Warrants	N/A	640,000	640,000	640,000
Unit Warrants	N/A	4,000,000	8,000,000	9,200,000
Broker Warrants	N/A	640,000	1,280,000	1,472,000

Notes:

(1) Calculated on undiluted basis and assumes issuance of the Stock Success Fees.

The following table sets out the number of Common Shares and percentage of the Common Shares of the Resulting Issuer held after giving effect to the Consolidation, Securities Exchange and the Offering on an undiluted basis:

		Number of Securities and Percentage Held After Giving Effect to the Securities Exchange and Minimum Offering		Number of Securities and Percentage Held After Giving Effect to the Securities Exchange and Maximum Offering		Number of Securities and Percentage Held After Giving Effect to the Securities Exchange, Maximum Offering and Over-Allotment	
		Common Shares	% of undiluted total	Common Shares	% of undiluted total	Common Shares	% of undiluted total
Current Company Shareholders after giving effect to Consolidation	See Note 1	2,800,000	3.3%	2,800,000	3.0%	2,800,000	2.9%
	See Note 2	2,800,000	3.0%	2,800,000	2.8%	2,800,000	2.7%
Current Irri-Al-Tal Shareholders	See Note 1	74,443,922	87.9%	74,443,922	79.9%	74,443,922	77.7%
	See Note 2	82,443,922	88.5%	82,443,922	81.1%	82,443,922	79.1%
Stock Success Fees ⁽³⁾	See Note 1	(548,322)	-0.6%	(42,722)	0.0%	108,958	0.1%
	See Note 2	(42,722)	0.0%	462,878	0.5%	614,558	0.6%
Purchasers Under the Offering	See Note 1	8,000,000	9.4%	16,000,000	17.2%	18,400,000	19.2%
	See Note 2	8,000,000	8.6%	16,000,000	15.7%	18,400,000	17.6%
Total:	See Note 1	84,695,600	100.0%	93,201,200	100.0%	95,752,880	100.0%
	See Note 2	93,201,200	100.0%	101,706,800	100.0%	104,258,480	100.0%

Notes:

- (1) Assuming that no funds raised under the Concurrent Private Placement.
- (2) Assuming that the Concurrent Private Placement is fully subscribed.
- (3) Pursuant to the terms of the Bresler-Aloni Haft Agreement, if the total number of securities outstanding after the Proposed Qualifying Transaction is below certain thresholds, the parties to Bresler-Aloni Haft Agreement have agreed to return a certain number of Common Shares to Irri-Al-Tal for cancellation. See "*Information Concerning the Proposed Qualifying Transaction*".

Market for Securities and Market Price

The Common Shares are currently listed on the NEX board of the Exchange under the trading symbol "**SCX.H**". Pursuant to the policies of the Exchange, trading in the Common Shares has been halted since September 2, 2010. There is no public market for the IAT Shares.

Risk Factors

An investment in the Units is highly speculative and involves a high degree of risk. Prospective investors should carefully review and evaluate certain risks relating to this Offering, including the risks associated with the business of the Resulting Issuer. The current business of Irri-Al-Tal will be the business of the Resulting Issuer. Each purchaser should carefully consider information included in this Prospectus set out under "*Information Concerning the Resulting Issuer – Risk Factors*" before purchasing Units, including without limitation, the following:

(i) New Business Areas and Geographic Markets, and the Resulting Issuer's Ability to Implement the Business Strategy In those Markets; (ii) Dependence on Key Personnel and Employees; (iii) Credit Risk; (iv) Inability to Manage Rapid Growth and Retain its Customers; (v) Foreign Operations; (vi) Liquidity Risk; (vii) Competition; (viii) Lack of Revenue Growth; (ix) Limited Number of Customers; (x) Defects in Products and Services; (xi) The Resulting Issuer may be Unable to Respond to Customers' Demands; (xii) Operational and Financial Infrastructure; (xiii) Cyclicalities; (xiv) Uncertain Economic Health of the Wider Economy; (xv) Currency Fluctuations; (xvi) Potential Political, Economic and Military Instability in Middle East and Israel, where the Resulting Issuer's Corporate Office are Located; (xvii) Reduction of Project Backlog; (xviii) Reliance on Independent Manufacturing Companies for Supply of Products; (xix) Crime and Business Corruption Risk; (xx) International Operations and Markets; (xxi) Components; (xxii) Rapid Technology Developments; (xxiii) Use of Proceeds of the Offering and Additional Funding Requirements; (xxiv) Changes in Taxation; (xxv) Risks Related to Intellectual Property Protection; (xxvi) Environmental Risks and Hazards; (xxvii) Reliance on Collaborative Partners; (xxviii) Differences Between the Canadian Law and Applicable Provisions of the Israeli Law; (xxix) Additional Risks to Doing Business Internationally; (xxx) Difficulty in Enforcement of Judgements; (xxxi) Risk of Litigation; (xxxii) User Data/Cybersecurity; (xxxiii) Internal Controls; (xxxiv) Insurance Risks; (xxxv) Difficulty Enforcing Canadian Law Against an Israeli Company; (xxxvi) Transaction Risk; (xxxvii) Major Shareholder; (xxxviii) Absence of Operating History as a Public Company; (xxxix) Substantial Capital Requirements; (xxxx) Future Sales of Common Shares by Existing Shareholders; (xli) Market Price and Trading Volume of Common Shares; (xlii) Dividend Policy; (xliii) Lack of Liquidity for Common Shares; (xliv) An Active Trading Market for the Common Shares; (xlv) The Market Price of the Common Shares May be Volatile; (xlvi) No Market for Unit Warrants; (xlvii) Conflicts of Interest; and (xlviii) Market Research and Reports.

Selected Financial Information of Irri-Al-Tal of Financial Condition and Results of Operations

The following sets out selected audited financial information from the financial years ended December 31, 2017, 2016 and 2015, which are included in Schedule "B" hereto and selected unaudited financial information for the six months ended June 30, 2018 which are included in Schedule "C" hereto, which are derived from, should be read in conjunction with, and are qualified in their entirety by, the Irri-Al-Tal Financial Statements.

Statement of Operations Data (in 000s)	Six months ended June 30, 2018 (unaudited) (USD)	Year ended December 31, 2017 (audited) (USD)	Year ended December 31, 2016 (audited) (USD)	Year ended December 31, 2015 (audited) (USD)
Total Revenues	6,728	10,579	5,224	6,170
Cost of Sales	5,526	8,848	4,758	5,519
Gross Profit	1,202	1,731	466	651
Operating Expenses	556	707	526	718
Operating Profit (Loss)	655	1,024	(60)	(67)
Net Income/(Loss)	500	671	(111)	(64)

Balance Sheet Data (in 000s)	Six months ended June 30, 2018 (unaudited) (USD)	Year ended December 31, 2017 (audited) (USD)	Year ended December 31, 2016 (audited) (USD)
Total Assets	8,141	5,929	3,283
Total Liabilities	5,478	5,308	3,333
Total Shareholders' Equity	2,663	621	(50)

Irri-Al-Tal's MD&A for the financial years ended December 31, 2017, 2016 and 2015, is included in Schedule "D" and the MD&A for three and six months ended June 30, 2018 is included in Schedule "E". The MD&A should be read in conjunction with the Irri-Al-Tal Financial Statements and related notes which have been prepared in accordance with IFRS.

Summary Pro-Forma Consolidated Financial Information

The following table sets forth selected information from the pro-forma consolidated financial statements of the Resulting Issuer as at June 30, 2018, after giving effect to the Proposed Qualifying Transaction. The following selected financial data has been derived from, should be read in conjunction with, and is qualified in its entirety by, the pro forma consolidated financial statements of the Resulting Issuer and the historical financial statements of each of Irri-Al-Tal and the Company, all contained elsewhere in this Prospectus. See "*Schedule "F" – Pro Forma Financial Statements of the Resulting Issuer*".

Item	Pro-Forma Consolidated Amount (in 000s USD)
Current Assets	\$8,831
Total Assets	\$9,215
Current Liabilities	\$5,256
Total Liabilities	\$5,751
Shareholders' Equity	\$3,464

INFORMATION CONCERNING THE COMPANY

Name, Address and Incorporation

The full corporate name of the Company is Sagittarius Capital Corporation. The Company was incorporated pursuant to articles of incorporation dated April 20, 2007 under the OBCA. The registered and head office of the Company is located at 77 King Street West, Suite 3000, Toronto, Ontario, M5K 1G8.

The Company has no Subsidiaries.

General Development of the Business

The Company is a CPC, which completed its initial public offering on February 6, 2008, by way of a prospectus dated January 8, 2008. The Company sold 3,690,000 Common Shares at a price of \$0.20 per Common Share pursuant to such prospectus, raising gross proceeds of \$738,000. The Common Shares became eligible to commence trading on the Exchange on February 14, 2008.

The Company's principal business is to identify and evaluate opportunities for the acquisition of an interest in assets or businesses with a view to completing a Qualifying Transaction and, once identified and evaluated, to negotiate an acquisition or participation in such assets or businesses. Until the completion of the Qualifying Transaction, the Company will not carry on business other than the identification and evaluation of assets or businesses in connection with a potential Qualifying Transaction. The Proposed Qualifying Transaction is intended to be the Company's Qualifying Transaction. For information on the proposed principal business to be conducted following the Proposed Qualifying Transaction, see "*Information Concerning the Resulting Issuer – General Description of the Business of the Resulting Issuer*".

On September 15, 2009, the Company entered into a letter of intent to acquire all of the issued and outstanding shares of Seamless. Seamless is a steel tube manufacturer based in the People's Republic of China. On April 5, 2010, the Company received notification from Seamless that it was immediately terminating the proposed transaction. On May 27, 2010, the Company reached a settlement with Seamless with respect to the return of the refundable deposit provided by the Company and break fees payable by Seamless for terminating the proposed Qualifying Transaction with Seamless. Under the settlement, Seamless agreed to pay the Company USD \$125,000, comprised of the repayment of a USD \$25,000 deposit made by the Company to Seamless and a break fee of USD \$100,000. Seamless paid the Company USD \$25,000 immediately upon settlement and agreed to pay the remaining USD \$100,000 by either the 10th business day after Seamless completed an outside financing of more than USD \$4,000,000, or August 31, 2010, whichever was earlier. Seamless also executed a consent to judgment, which entitled the Company to enter a default judgment against Seamless if Seamless failed to make the payment by August 31, 2010. On Nov 17, 2010, the Company obtained a USD \$100,000 judgment against Seamless in Ontario. As Seamless' assets are in China, the Company is uncertain about its ability to collect and has written off this amount.

As a result of the Company not completing a Qualifying Transaction within the prescribed time frame as required by the CPC Policy, effective June 25, 2010, the Company was transferred to the NEX. The Company's tier classification was changed from Tier 2 to NEX. Pursuant to the policies of the Exchange, the trading of the Common Shares was halted on September 2, 2010 and has not yet resumed.

In addition, as a result of not completing a Qualifying Transaction within the time limit required by the CPC Policy, the Company cancelled 500,000 Common Shares that were originally issued at \$0.10 per Common Share thereby adjusting the effective share price on the 500,000 remaining shares to \$0.20 per Common Share to bring the seed share price for Common Shares issued to seed shareholders to the same price as the initial public offering share price of \$0.20 per Common Share. The outstanding Common Shares are listed on the NEX under the trading symbol "**SCX.H**".

On September 7, 2010, the Company issued a press release announcing a proposed Qualifying Transaction with Alpaca, the terms of which were amended as disclosed in press releases dated November 11, 2010, April 5, 2011 and November 8, 2011. The letter of intent to complete such transaction subsequently lapsed. On July 3, 2013, the Company announced that it had entered into a binding letter of intent to complete a Qualifying Transaction with AMR Mineral Metal Inc. This transaction was also subsequently terminated by the Company.

On January 16, 2018, the Company issued a press release announcing the Proposed Qualifying Transaction with Irri-Al-Tal and issued a press release on April 26, 2018 announcing amendments to the terms of the Proposed Qualifying Transaction. On June 27, 2018, the Company issued a press release to announce: (i) the Agent Engagement Letter; (ii) that Irri-Al-Tal had closed the Initial Financing; and (iii) certain amendments to the terms of the Proposed Qualifying Transaction.

Dividends or Distributions

Since inception, the Company has not declared any dividends or distributions although there are no restrictions precluding the Company from declaring any such dividends or distributions, other than pursuant to the Exchange policies and the requirements of the OBCA.

Dividend Policy

The Board intends to retain future earnings for reinvestment in the Company's business, and therefore, has no current intention to declare or pay dividends on the Common Shares in the foreseeable future. The Company's dividend policy will be reviewed from time-to-time in the context of its earnings, financial condition and other relevant factors.

SELECTED CONSOLIDATED FINANCIAL INFORMATION AND MD&A OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following table presents selected financial information of the Company for the periods indicated. This table and the Company's MD&A should be read in conjunction with, and are qualified in their entirety by, the Company Financial Statements for the six months ended June 30, 2018, and the years ended December 31, 2017, 2016 and 2015 and the respective notes thereto, which are set forth in Schedule "B" to this Prospectus.

This table contains financial information derived from financial statements that have been prepared in accordance with IFRS.

	Six months ended June 30, 2018 (unaudited)	Year ended December 31, 2017 (audited)	Year ended December 31, 2016 (audited)	Year ended December 31, 2015 (audited)
Professional Fees	\$16,173	\$16,918	\$17,836	\$9,839
Filing Fees	\$5,243	\$7,743	\$7,643	\$6,221
Office and General	\$145	\$251	\$379	\$221
Total Operating Expenses	\$21,561	\$24,912	\$25,858	\$16,155
Amounts deferred in connection with the Proposed Qualifying Transaction	Nil	Nil	Nil	Nil

The Company's MD&A is included hereto as Schedule "I" and Schedule "J". Certain information included in the MD&A is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "*Forward Looking Statements*".

DESCRIPTION OF THE SECURITIES

Existing Securities

The authorized capital of the Company consists of an unlimited number of Common Shares without nominal or par value. As of the date of this Prospectus, 4,190,000 Common Shares were issued and outstanding as fully paid and non-assessable, and no securities convertible into Common Shares were issued and outstanding. Prior to the completion of the Proposed Qualifying Transaction, the Securities Exchange and the Offering Closing Date, the Company intends, pending receipt of all required approvals, to consolidate the Pre-Consolidation Shares on the basis

of one (1) Common Share for every 1.4964285 issued and outstanding Pre-Consolidation Shares. Thus, prior to the completion of the Proposed Qualifying Transition, a total of 2,800,000 Common Shares will be issued and outstanding.

The holders of the Common Shares are entitled to receive notice of and attend any meeting of the Company Shareholders and are entitled to one (1) vote for each Common Share held. Common Shareholders are entitled to receive dividends, if, as and when declared by the Board and to receive a proportionate share, on a per share basis, of the assets of the Company available for distribution in the event of a liquidation, dissolution or winding-up of the Company.

Proposed Securities Issuances

To complete the Proposed Qualifying Transaction, the Company proposes to issue to holders of IAT Shares an aggregate of 74,443,922⁵ Common Shares from treasury at a deemed price of \$0.25 per Common Share (being the price at which the Units are sold in the Offering), 5,000,000 Consideration Warrants and 800,000 Consideration Comp Options in exchange for all of the IAT Shares issued and outstanding immediately prior to closing of the Proposed Qualifying Transaction in case that no securities are issued under the Concurrent Private Placement. In the case that the Concurrent Private Placement is fully subscribed, the Company will to issue to holders of IAT Securities 82,443,922⁵ Common Shares, 9,000,000 Consideration Warrants, 800,000 Consideration Comp Options and 640,000 Consideration Finder's Warrants in exchange for all of the IAT Shares issued and outstanding immediately prior to closing of the Proposed Qualifying Transaction.

In addition, subject to Exchange approval, the Company proposes to issue Common Shares as a success fee for successful completion of the Proposed Qualifying Transaction at a price of \$0.25 per Common Share as follows:

Agreement pursuant to which the Stock Success Fees issuance is made	Assuming no funds are raised under the Concurrent Private Placement			Assuming that the Concurrent Private Placement is fully subscribed		
	Minimum Offering	Maximum Offering	Maximum Offering and Over-Allotment Option Exercised in full	Minimum Offering	Maximum Offering	Maximum Offering and Over-Allotment Option Exercised in full
FMICA Success Fee	42,858	42,858	42,858	42,858	42,858	42,858
Bresler-Aloni Haft Success Fee ⁽¹⁾	(591,180)	(85,580)	167,220	(85,580)	420,020	571,700
Total:	(548,322)	(42,722)	210,078	(42,722)	462,878	614,558

Note:

- (1) Pursuant to the terms of the Bresler-Aloni Haft Agreement, if the total number of securities outstanding after the Proposed Qualifying Transaction is below certain thresholds, the parties to Bresler-Aloni Haft Agreement have agreed to return a certain number of Common Shares to Irri-Al-Tal for cancellation. See "*Information Concerning the Proposed Qualifying Transaction*".

In addition, the Company will issue 8,000,000 Units and 640,000 Broker Warrants in the case of the Minimum Offering and 16,000,000 Units and 1,280,000 Broker Warrants in the case of the Maximum Offering. In the case of the Over-Allotment being exercised in full, an additional 2,400,000 Units and 192,000 Broker Warrants will be issued. Please see "*Information Concerning Proposed Qualifying Transaction*" and "*The Offering*".

STOCK OPTION PLAN

The Company has adopted the Stock Option Plan, which provides that the Board may from time-to-time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers and consultants of the Company, non-transferable and non-assignable Company Options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed ten percent (10%) of the issued and outstanding Common Shares. Company Options are exercisable for a period of up to five (5) years from the date of grant. The exercise price of an option shall not be less than that from time-to-time permitted under the rules of the Exchange.

⁵ Including the Stock Success Fees outlined in the table below

The number of Common Shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance to all consultants, if any, will not exceed two percent (2%) of the issued and outstanding Common Shares.

There are currently no Common Shares that have been reserved for issuance pursuant to the exercise of Company Options, and 419,000 Company Options are available to be granted. Upon completion of the Proposed Qualifying Transaction and assuming the Maximum Offering, exercise of the Over-Allotment Option by the Agent and the Concurrent Private Placement is fully subscribed, 10,707,771 Company Options will be available to be granted.

PRIOR SALES OF SECURITIES

Since the date of incorporation, 4,190,000 Common Shares have been issued as follows:

Date	Number of Shares	Issue Price Per Share	Aggregate Issue Price	Nature of Consideration Received
April 20, 2007	1,000,000 ⁽¹⁾⁽²⁾	\$0.10	\$100,000	Cash
February 6, 2008	3,690,000 ⁽³⁾	\$0.20	\$738,000	Cash

Notes:

- (1) Since the Company did not complete its Qualifying Transaction within the time limit required by the CPC Policy, the Company cancelled 500,000 seed shares that were originally issued at \$0.10 per Common Share.
- (2) All of these Common Shares were sold to Related Parties to the Company and are held in escrow. See "*Information Concerning the Resulting Issuer – Escrowed Securities of the Resulting Issuer*".
- (3) None of these Common Shares were sold to Related Parties to the Company.

STOCK EXCHANGE PRICE

The outstanding Common Shares are listed on the NEX tier of the Exchange under the trading symbol "SCX.H". The Common Shares became eligible to commence trading on the Exchange on February 14, 2008. Effective June 25, 2010, the Company was transferred to the NEX. The trading of the Common Shares has been halted since September 2, 2010 following the initial press release regarding a proposed Qualifying Transaction with Alpaca. Trading in the Common Shares has not yet resumed. The following table sets forth the high and low sales prices and trading volumes of board lots of Common Shares as reported by the NEX from January 1, 2008 to September 2, 2010:

	Low (\$)	High (\$)	Volume (Shares)
2010			
September ⁽⁵⁾	0.050	0.085	7,000
August ⁽⁴⁾	0.040	0.050	85,000
2009			
August	0.020	0.10	19,000
July ⁽³⁾	0.025	0.08	30,000
May	0.025	0.025	11,500
April 3 ⁽²⁾	0.025	0.025	38,000
2008			
April	0.220	0.225	73,000

		Low (\$)		High (\$)		Volume (Shares)
March		0.240		0.265		17,250
February ⁽¹⁾		0.200		0.215		40,500

Notes:

- (1) The Common Shares became eligible to commence trading on the Exchange on February 14, 2008.
- (2) There was no trading volume between April 17, 2008 to April 2, 2009.
- (3) There was no trading volume between June 1, 2009 and July 22, 2009.
- (4) There was no trading volume between August 24, 2009 to August 17, 2010.
- (5) Trading of the Common Shares on the NEX was halted on September 7, 2010 and as of the date of hereof, the trading of the Common Shares on the NEX remains halted.

Consolidated Capitalization

See "*Information Concerning the Resulting Issuer – Pro Forma Consolidated Capitalization of the Resulting Issuer*".

Arm's Length Transaction

The Company is not currently a party to any material Arm's Length Transactions other than the Proposed Qualifying Transaction. The Proposed Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction, as such term defined in CPC Policy.

Escrowed Securities

As of the date hereof, the following securities are subject to contractual restrictions on transfer

Designation of Class	Number of Securities Held in Escrow or that are Subject to Contractual Restrictions on Transfer	Percentage of Class
Pre-Consolidation Shares ⁽¹⁾	500,000	11.9%

Notes:

- (1) Held in escrow with the Escrow Agent under the terms of the CPC Escrow Agreement. See "*Information Concerning the Resulting Issuer – Escrowed Securities*".

Principal Securityholders

To the knowledge of the directors and officers of the Company, as of the Prospectus date, no Company Shareholder beneficially owns, directly or indirectly, or exercises control or direction over voting securities carrying more than 10% of the voting rights attached to any class of the Company's voting securities. For information on principal securityholders of the Resulting Issuer, see "*Information Concerning the Resulting Issuer – Principal Securityholders of the Resulting Issuer*".

Directors and Executive Officers of the Company

The names and municipalities of residence of, and the number and percentage of voting securities and options beneficially owned, directly or indirectly, or over which control or direction is exercised by the current executive officers and directors of the Company as well as the offices held by each and the principal occupation of each during the past five (5) years are as follows:

Name, Municipality of Residence and Position with Company	Director or Officer Since	Principal Occupation	Number of Pre-Consolidated Shares owned
Brian Presement⁽¹⁾ Richmond Hill, Ontario <i>Chief Executive Officer and Director</i>	January 16, 2013 (Director) July 11, 2014 (CEO)	President and CEO of Unite Communications Corporation since its inception in 2001.	25,000
Christopher Hazelton Toronto, Ontario <i>Chief Financial Officer and Director</i>	April 29, 2014	Chief Financial Officer at SustainCo Inc. since September 2014, prior. Independent contractor between August 2012 and September 2014.	25,000
Brian Micner⁽¹⁾ Richmond Hill, Ontario <i>Director</i>	January 16, 2013	Barrister and Solicitor, Sole Proprietor	40,000
Adam K. Szweras⁽¹⁾ Thornhill, Ontario <i>Secretary and Director</i>	April 29, 2014	Partner at Fogler, Rubinoff LLP since February 2006. Chairman of Foundation Markets Inc., and FMI Capital Advisory Inc.	62,500

Notes:

(1) Member of the audit committee of the Company.

The total aggregate number of Pre-Consolidation Shares beneficially owned, directly or indirectly, by all directors and officers of the Company is 152,500, which is equal to 3.6% of the issued and outstanding Pre-Consolidation Shares. None of the directors or officers of the Company has entered into a non-competition or non-disclosure agreement with the Company. None of the directors or officers are employees or independent contractors of the Company and they devote their time on an as-needed basis to the Company.

Officer and Director Biographies

Brian Presement, CEO and Director, 48 years of age – has been the President and CEO of Unite Communications Corporation ("UniTE") since its inception in 2001. Under his leadership, UniTE has grown from a regional telecom provider offering a narrow set of services to a full-scale telecom provider offering services to companies of all sizes all across Canada. Mr. Presement has over 25 years of telecommunications experience. Prior to UniTE, Mr. Presement served as Vice President Business Development of VOXX Corporation, a telecom company. Mr. Presement has been and is currently and a director of the Company since January 2013, as well as a Director of Plexus Cybermedia. In addition, he is a director and board secretary of Clarica Centre of York Region, a non-profit organization for developmentally challenged youth and adults. He served as a director of Aurelio Resource Corp. between February 2012 and August 2013. Between 2004 and 2007, Mr. Presement served as a General Manager of Mailgate Corp. Mr. Presement holds an Honours Bachelor of Arts Degree from York University with a double major in Mass Communications and Political Science.

Christopher Hazelton, CFO and Director, 42 years of age – Mr. Christopher Hazelton, has been Chief Financial Officer at SustainCo Inc. since September 15, 2014 and CFO of the Company since April 2014. He formerly served as President and CEO of Canada Pacific Capital Corp., a capital pool company and as a CFO of Lakeside Minerals Inc. between June 2012 and August 31, 2012. Prior to 2007, Mr. Hazelton worked in a series of public and private entities primarily in management roles in industries that included retail, steel, technology and corporate trust. Mr. Hazelton joined Cavalry Corporate Solutions Ltd. as Vice President in February 2011. Mr. Hazelton has been a Certified General Accountant (CGA) since 2007. Mr. Hazelton earned an Honours Bachelor of Commerce degree from McMaster University in 1998.

Brian Micner, Director, 37 years of age – Mr. Micner graduated from the University of East Anglia of Law, in England in 2005. Shortly thereafter Mr. Micner earned his certificate at the University of Ottawa School of Law, after which he established a law practice focused on criminal, quasi criminal and regulatory matters. Mr. Micner is a sole practitioner based in Toronto, Ontario, that has appeared at all levels of court in Ontario including the Court of Appeal, Superior Court of Justice and Ontario Court of Justice. Mr. Micner is a member of the Criminal Lawyers Association and a member of the Extremely Serious Criminal Charges Panel of Legal Aid Ontario. Mr. Micner sits as a director on various private companies.

Adam K. Szweras, Secretary and Director, 46 years of age – Mr. Szweras is a securities law partner with Fogler, Rubinoff LLP in Toronto and Chairman of FMI., a Toronto based merchant bank and brokerage firm. His law practice focuses on financings and going public transactions, and in his banking practice, he works closely to build, invest in, and develop emerging business. Mr. Szweras represents and sits on the boards of several mid-market public companies and assists companies in listing on the TSX, the Exchange, and the Canadian Securities Exchange. He has a particular expertise with cross border mid-market transactions and often acts as a strategic advisor to his clients. Mr. Szweras works with public and private companies active in marijuana markets in Canada and the United States as well as companies with businesses in energy transmission, oil and gas and alternative energy, technology, and food producers. Mr. Szweras has experience in representing clients in Canada and the United States as well as South America, China and South Asia. Mr. Szweras both joined Fogler, Rubinoff LLP and founded the Foundation Markets Group in 2006. Mr. Szweras was called to the Ontario Bar in 1996 and has authored numerous papers and articles relating to Canadian and foreign securities and corporate law.

Corporate Cease Trade Orders, Individual Bankruptcies, Penalties and Sanctions

Except as set out below, within ten (10) years before the date of this Prospectus, none of the directors, executive officers or Promoters of the Company was a director, CEO or CFO of any company (including the Company) that was:

- (a) subject to an Order that was issued while the director or executive officer was acting in the capacity as director, CEO or CFO; or
- (b) was subject to an Order that was issued after the director or executive officer ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO; or
 - (i) has been within ten (10) years before the date of this Prospectus, a director or executive officer of any issuer that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
 - (ii) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
 - (iii) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

For the purposes of the foregoing the term "Order" means a cease trade order or similar order or an order that denied that issuer access to any exemptions under applicable securities legislation.

Adam Szweras was a director and the Corporate Secretary of Bassett Media Group Corp. ("**Bassett**"), an Exchange listed company, until March 16, 2010. Bassett has been subject to a cease trade order since June 16, 2010 for failing to file its financial statements.

In the ten (10) years prior to the date hereof, none of the directors, executive officers or Promoters of the Company or a shareholder holding a sufficient number of securities of Company to affect materially the control of the Company

has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Conflicts of Interest

There are potential conflicts of interest to which some or all of the directors, officers, Insiders and Promoters of the Company will be subject in connection with the operations of the Company. Some or all of the directors, officers, Insiders and Promoters have been and will continue to be engaged in activities on their own behalf and on behalf of other corporations, and situations may arise where the directors and officers will be in direct competition with the Company's efforts to identify and evaluate assets or businesses for acquisition with a view to completing the Proposed Qualifying Transaction. Conflicts, if any, will be subject to the procedures and remedies prescribed by the OBCA, the Exchange, and applicable securities laws, regulations and policies. See *"Information Concerning the Resulting Issuer – Conflicts of Interest"*.

Indebtedness of Directors and Officers

No individual who: (a) is a director or officer of the Company or is proposed to be a director or officer of the Resulting Issuer; (b) at any time during the most recently completed financial year of the Company was, a director or officer of the Company; or (c) is an Associate of any of the foregoing, is either: (a) indebted to the Company or a Subsidiary of the Company; or (b) indebted to another entity with such indebtedness being the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or a Subsidiary of the Company, as at the day of this Prospectus. For information on Indebtedness of Directors and Officers of the Resulting Issuer, see *"Information Concerning the Resulting Issuer – Indebtedness of Directors, Officers and Promoters"*.

Audit Committee and Corporate Governance

Audit Committee

NI 52-110, NI 41-101 and Form 52-110F2 require the Company, as an Exchange issuer, to disclose certain information relating to the Company's audit committee and its relationship with the Company's independent auditors.

Audit Committee Charter

The text of the Company's audit committee charter is attached as Schedule "A".

Composition of the Audit Committee

The members of Company' audit committee are:

Name	Independence⁽⁴⁾	Financial Literacy⁽³⁾
Brian Presement	Not Independent ⁽¹⁾	Financially literate
Brian Micner	Independent ⁽²⁾	Financially literate
Adam K. Szweras	Not Independent	Financially literate

Notes:

- (1) Mr. Presement is not independent due to his position as CEO of the Company.
- (2) Mr. Szweras is not independent due to his position as Corporate Secretary of the Company.
- (3) An individual is considered to be financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by a corporation's financial statements
- (4) A member of an audit committee is considered to be independent if the member has no direct or indirect material relationship with the corporation that could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

Each member of the Company' present audit committee has adequate education and experience that is relevant to their performance as an audit committee member and, in particular, the requisite education and experience that have provided the member with:

- (i) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (ii) experience in preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and
- (iii) an understanding of internal controls and procedures for financial reporting.

See "*Information Concerning the Company – Directors and Executive Officers of the Company*" for further details.

Audit Committee Oversight

At no time since the commencement of Company' most recently completed financial year was a recommendation of the audit committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Company's financial year ended December 31, 2017 has the Company relied on the exemption provided under section 2.4 of NI 52-110 (*De Minimis Non-Audit Services*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. The Company is not required to comply with Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations) of NI 52-110 given that it is a venture issuer as defined in NI 52-110.

Pre-Approval Policies and Procedures

The audit committee of the Company has adopted specific policies and procedures for the engagement of non-audit services as described in the audit committee's charter attached hereto as Schedule "A".

External Auditor Service Fees (By Category)

The aggregate fees billed by the Company's external auditors during the financial years ended December 31, 2017 and 2016 were as follows:

Financial year ended	Audit fees	Audit related fees	Tax fees	All other fees
December 31, 2017	\$3,500	Nil	\$1,000	Nil
December 31, 2016	\$3,500	Nil	\$1,000	Nil

Corporate Governance

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. NP 58-201 establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

Pursuant to National Instrument NI 58-101, the Company is required to disclose its corporate governance practices, as summarized below. The Board will continue to monitor such practices on an ongoing basis and, when necessary, implement such additional practices as it deems appropriate.

Board of Directors

The Board is currently composed of four directors: Brian Presement, Christopher Hazelton, Adam K. Szweras and Brian Micner.

NI 58-101 suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as "independent" directors, within the meaning set out under NI 52-110, which provides that a director is independent if he or she has no direct or indirect "material relationship" with the company. "Material relationship" is defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

Of the current directors, Brian Presement, President and CEO; Christopher Hazelton, CFO; and Adam K. Szweras, Secretary, are executive officers and accordingly are not considered to be "independent". In assessing NI 58-101 and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors. Brian Micner is considered to be independent since he is independent of management and free from any material relationship with the Company. The basis for this determination is that, since the commencement of the Company's fiscal year ended December 31, 2017, Mr. Micner has not worked for the Company, received remuneration from the Company (other than in his capacity as a director) or had material contracts with or material interests in the Company which could interfere with his ability to act with a view to the best interests of the Company.

In the event of a conflict of interest at a meeting of the Board, the conflicted director will, in accordance with corporate law and in accordance with his or her fiduciary obligations as a director of the Company, disclose the nature and extent of his interest to the meeting and abstain from voting on or against the approval of such participation. In addition, the members of the Board who are not members of management of the Company are encouraged by the management members of the Board to communicate and obtain advice from such advisors and legal counsel as they may deem necessary in order to reach a conclusion with respect to issues brought before the Board.

Directorships

The following table sets out the directors and officers of the Company that are, or have been within the last five (5) years, directors or officers of other issuers that are or were reporting issuers in any Canadian jurisdiction (there are no Promoters in respect of the Company):

Name	Name of Reporting Issuer	Name or Exchange or Market	Position	From	To
Brian Presement	Nutritional High International Inc.	CSE	Director	July, 2014	Present
Chris Hazelton	SustainCo Inc.	Exchange	CFO	September 2014	Present
Adam Szweras	Australis Capital Inc.	CSE	Director or Senior Officer of 10% Security Holder	August 2018	September 2018
	Revival Gold Inc. (formerly Strata Minerals Inc.)	Exchange	Director	July 2015	December 2015
	Aurora Cannabis Inc.	TSX	Director	August 2015	Present
	Tinley Beverage Company Ltd.	CSE	Director, Corporate Secretary	December 2010	September 2016

Name	Name of Reporting Issuer	Name or Exchange or Market	Position	From	To
	Lineage Grow Company Ltd.	CSE	Corporate Secretary	December 2011	Present
	Quinsam Capital Corporation	CSE	Director	October 2017	Present
	Petrolympic Ltd.	Exchange	Secretary	June 2008	Present
	Mahdia Gold Corp.	CSE	Director, Secretary	April 2016	May 2018
	Canada Pacific Canada Corp.	NEX	Director, Secretary	May 2010	August 2014
	SustainCo Inc.	Exchange	Director	March 2017	Present
	Nutritional High International Inc.	CSE	Corporate Secretary, Director	July, 2014	Present

Orientation and Continuing Education

The Company does not presently have a formal orientation and continuing education program for new directors. The Board encourages directors to pursue pertinent education programs offered by the various regulatory bodies and offers them the opportunity to develop their knowledge of the Company's business and activities. However, if the growth of the Company's operations warrants it, it is likely that a formal orientation process will be implemented.

Ethical Business Conduct

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives. To date, the Board has not adopted a formal written code of business conduct and ethics. However, the current limited size of the Company's operations and the small number of officers allow the independent member of the Board to monitor on an ongoing basis the activities of management and to ensure that the highest standard of ethical conduct is maintained. Should the Proposed Qualifying Transaction be completed, the Board anticipates that it would then implement an Anti-Bribery and Anti-Corruption Policy. Irri-Al-Tal has adopted an Anti-Bribery and Anti-Corruption Policy and following completion of the Proposed Qualifying Transaction, the Company will adopt such policy. See "*Information Concerning the Resulting Issuer – Corporate Governance Disclosure – Ethical Business Conduct.*"

Nomination of Directors

The Board nominates candidates for director after carefully reviewing and assessing the professional qualifications and skills, personality and other qualifications of each candidate, including the time and energy that such candidate is able to devote to the task and the contribution he can make to the Board.

Compensation

As a Capital Pool Company, no salaries have or will be paid until following a Qualifying Transaction. Given the Company's size, its stage of development as a Capital Pool Company and the fact that no officers or directors receive any financial compensation, the Company has not appointed a compensation committee or formalized any guidelines with respect to compensation. If and when a Qualifying Transaction is completed the Board intends to appoint such a committee and adopt such guidelines.

Other Board Committees

The Board has no other committees, other than the audit committee.

Assessments

The Board does not make regular formal assessments of its Board, its committees or its members. Rather, from time-to-time, the Board satisfies itself on an informal basis that its members and audit committee are performing effectively; in this respect, from time-to-time, the Board reviews and considers the size of the Board in relation to the needs of the Company, with a view of facilitating effective decision-making and identifying and selecting individuals qualified to become new Board members.

Executive Compensation Discussion and Analysis

The Company has not yet completed a Qualifying Transaction pursuant to the CPC Policy. Accordingly, the executive officers of the Company were not paid any compensation during the financial years ended December 31, 2017, 2016 and 2015, as the CPC Policy prohibits directors and officers from receiving remuneration while the Company is a Capital Pool Company.

Summary of Compensation

No compensation has been provided to executive officers, during Company financial years ended December 31, 2017, 2016 and 2015.

Narrative Discussion

As a CPC, the Company does not have any paid employees or employment agreements. No compensation was paid to any executive officers. All of the Company Options granted to the executive officers vested upon their grant date and have since expired.

Incentive Plan Awards

Company Options to purchase up to 838,000 Pre-Consolidation Shares were granted to the executive officers and the directors of Company in connection with the closing of the IPO on February 8, 2008. While the Company is a CPC, the total number of Common Shares reserved under option for issuance pursuant to the Company's Stock Option Plan may not exceed 10% of the Common Shares outstanding as at the closing of the IPO. The grant of the Company Options was approved by the Board. Company Options issued in connection with closing the IPO have since expired and as of the date of hereof no Company Options are outstanding.

Outstanding Share-Based Awards and Option-Based Awards

No Company Options were granted during the year ended December 31, 2017 and there were no awards outstanding for the executive officers of the Company as of December 31, 2017, nor were there any incentive plan awards earned or vested.

Value Vested or Earned for Incentive Plan Awards During the Most Recently Completed Financial Year

There were no incentive plan awards earned or vested during the year ended December 31, 2017.

Stock Option Plan

The Stock Option Plan originally received approval from the Board on January 29, 2010. Initial shareholder approval of the Stock Option Plan was not required as the Company adopted the plan prior to completing its IPO and disclosed the details of the Stock Option Plan in its (final) prospectus, dated January 8, 2008. Nonetheless, in accordance with the CPC Policy, Company Shareholders approved the Stock Option Plan at the Company Meeting.

Under the Stock Option Plan, the Board is authorized to grant incentive Company Options to directors, senior officers, employees and consultants of Company entitling them to purchase Common Shares. The purpose of the Stock Option

Plan is to attract and retain employees, consultants, officers or directors to the Company and to motivate them to advance the interests of the Company by affording them with the opportunity to acquire an equity interest in the Company through Company Options granted under the Stock Option Plan to purchase Common Shares.

In connection with its IPO, the Company granted Company Options to purchase a total of 838,000 Pre-Consolidation Shares under the Stock Option Plan, all of which were granted to directors and executive officers. All of the Company Options vested immediately upon their grant date and were exercisable at a price of \$0.20 per Pre-Consolidation Share. All of these Company Options have since expired.

Termination and Change of Control Benefits

There are no employment contracts, compensatory plans, or other arrangements in place with the executive officers of the Company, nor are there any agreements between Company and the executive officers that provide for payment to the executive officers in connection with any termination, resignation, retirement, change in control of the Company or change in responsibilities of the executive officers.

Director Compensation

No compensation was paid to the directors of the Company in their capacity as directors during the financial year ended December 31, 2017. The directors of the Company are eligible to receive Company Options to purchase Common Shares pursuant to the terms of the Stock Option Plan.

Incentive Plan Awards and Outstanding Share-Based Awards and Option-Based Awards

There are no incentive plan or share-based awards outstanding to any of the directors of the Company for each of the directors of the Company as of the date of this Prospectus.

Incentive Plan Awards – Value Vested or Earned During the Year

No compensation was paid or vested to the Board during the year ended December 31, 2017. The only Company Options granted by the Company to date are the options granted in connection with the IPO on February 8, 2008, which have since expired.

Conditional Listing Approval

The Company has applied to list the Common Shares issuable in connection with the Proposed Qualifying Transaction on the Exchange. Listing will be subject to the Company fulfilling all the listing requirements of the Exchange.

Risk Factors

INVESTMENT IN SECURITIES OF THE COMPANY SHOULD BE REGARDED AS HIGHLY SPECULATIVE DUE TO THE PROPOSED NATURE OF THE COMPANY'S BUSINESS AND ITS PRESENT STAGE OF DEVELOPMENT. THE COMPANY HAS NEITHER A HISTORY OF EARNINGS NOR HAS IT PAID ANY DIVIDENDS AND IT IS UNLIKELY TO PAY DIVIDENDS IN THE IMMEDIATE OR FORESEEABLE FUTURE.

The Company does not own any ongoing business operations and has no assets other than cash. There is no assurance that the Company will successfully complete the Proposed Qualifying Transaction with Irri-Al-Tal, or even if it does, that the Irri-Al-Tal businesses acquired will be profitable or will succeed. Completion of the Proposed Qualifying Transaction is subject to, among other things, completion of the Minimum Offering. Moreover, additional funds may be required to successfully complete the Proposed Qualifying Transaction and the Company may not be able to obtain such funds do so. According to the terms of the Letter of Intent, Irri-Al-Tal has agreed to cover all costs relating to the Proposed Qualifying Transaction, including those of the Company, but there is no assurance that such funds will be available on terms favorable to the Company or at all.

Other risk factors related to the Company include:

- There can be no assurance that an active and liquid market for the Common Shares will develop and an investor may find it difficult to resell its Common Shares;
- completion of the Proposed Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange;
- trading in the Common Shares was halted and will remain halted for an indefinite period of time. Reinstatement to trading provides no assurance with respect to the merits of the Proposed Qualifying Transaction or the likelihood of Company completing the Proposed Qualifying Transaction; and
- neither the Exchange nor any securities regulatory authority passes upon the merits of the Proposed Qualifying Transaction.

For further risk factors relating to the Resulting Issuer, see *"Information Concerning the Resulting Issuer – Risk Factors"*.

Legal Proceedings and Regulatory Actions

Legal Proceedings

Except as disclosed below, the Company has not been, and is not presently involved in, any legal proceedings material to it and insofar as it is aware, no such proceedings are contemplated.

On September 15, 2009, the Company entered into a letter of intent to acquire all of the issued and outstanding shares of Seamless. Seamless is a steel tube manufacturer based in the People's Republic of China. On April 5, 2010, the Company received notification from Seamless that they were immediately terminating the proposed transaction. On May 27, 2010, the Company reached a settlement with Seamless with respect to the return of the refundable deposit provided by the Company and the break fees payable by Seamless for terminating the proposed transaction. Under the settlement, Seamless agreed to pay the Company USD \$125,000, comprised of the repayment of a USD \$25,000 deposit made by the Company to Seamless, and a break fee of USD \$100,000. Seamless paid the Company USD \$25,000 immediately upon settlement and agreed to pay the remaining USD \$100,000 by either the 10th business day after Seamless completed an outside financing of more than USD \$4,000,000, or August 31, 2010, whichever was earlier. Seamless also executed a consent to judgment, which entitled the Company to enter a default judgment against Seamless if Seamless failed to make the payment by August 31, 2010. On Nov 17, 2010, the Company obtained a \$100,000 judgment against Seamless in Ontario. As Seamless assets are in China, the Company is uncertain about its ability to collect. Management of the Company is consulting Chinese counsel about the prospects of enforcing the judgment in China.

Regulatory Actions

There have been no penalties or sanctions imposed against the Company by a court relating to provincial and territorial securities legislation or by a securities regulatory authority within three (3) years immediately preceding the date of this Prospectus.

Promoters

During the two (2) years immediately preceding the date of this Prospectus, there have been no persons or companies that would be considered Promoters of the Company.

Interest of Management and Others in Material Transactions

The Insiders of the Company and their respective Associates and Affiliates currently hold 152,500 Pre-Consolidation Shares, which is equal to approximately 3.6% of the total outstanding Pre-Consolidation Shares. Following completion of the Proposed Qualifying Transaction, the current Insiders of the Company will hold 1,053,109 Common Shares representing 1.1% of the then outstanding Common Shares (0.95% on a fully diluted basis), assuming Maximum Offering with full exercise of the Over-Allotment Option by the Agent and the Concurrent Private Placement being fully subscribed. See *"Information Concerning the Resulting Issuer – Pro Forma Consolidated Capitalization of the Resulting Issuer"*.

Auditor

The auditors of Company are UHY McGovern Hurley LLP, Chartered Professional Accountants, Licensed Public Accountants, 251 Consumers Road, Suite 800, Toronto, ON M2J 4R3 Canada.

Transfer Agent and Registrar

The transfer agent and registrar for the Common Shares is Computershare Trust Company of Canada ("**Transfer Agent**"), 100 University Ave, 8th Floor, Toronto ON, M5J 2Y1.

Material Contracts

Since inception, the Company has entered into, or will enter into prior to the completion of the Proposed Qualifying Transaction, in addition to contracts in the ordinary course of business, the following material contracts:

- 1) Transfer Agency and Registrarship Agreement dated November 9, 2007, between the Company and the Transfer Agent;
- 2) CPC Escrow Agreement dated for reference as of January 8, 2008, between the Company, the Transfer Agent, as escrow agent and certain shareholders of the Company;
- 3) Agency Agreement to be entered by the Company and the Agent on or prior to Offering Closing Date; and
- 4) Securities Exchange Agreement to be entered into between Company, Irri-Al-Tal and Irri-Al-Tal shareholders. See "*Information Concerning the Proposed Qualifying Transaction – The Securities Exchange Agreement*".

Copies of these agreements are, or will be, as applicable, available under the Company's SEDAR profile at www.sedar.com.

Additional Information

Additional information with respect to Company may be found on the SEDAR website at www.sedar.com.

INFORMATION CONCERNING IRRI-AL-TAL

Name, Address and Incorporation

Irri-Al-Tal was incorporated on November 10, 2003 under the laws of the State of Israel. Irri-Al-Tal's registration number is 513467944, with its registered and head office address at P.O.B. 7 Kibbutz Ramat-David 3658700, Israel.

On February 26, 2018, Irri-Al-Tal filed with State of Israel Department of Justice Corporations Authority an approval of registration of notice of increase of registered capital to increase its authorized share count from 100 IAT Shares to 100,000,000, IAT Shares.

On April 8, 2018, Irri-Al-Tal completed a share split of 285,000 for 1, which increased the issued and outstanding shares of Irri-Al-Tal to 28,500,000 IAT Shares each with a par value of NIS 0.0000035, and increased the authorized share capital to 28,500,000,000,000 IAT Shares.

Intercorporate Relationships

On July 20, 2017 Irri-Al-Tal has a minority (45.05%) equity interest in Kama Agrarian is a private company incorporated under the laws of the State of Israel that is focused on pursuing a project in the People's Republic of China that will entail provision of services and equipment on a joint-basis with Irri-Al-Tal to establish a greenhouse facility for organic produce. As at the date hereof, Kama Agrarian is not material to the business of Irri-Al-Tal. Please see "*Information Concerning Irri-Al-Tal – General Description of the Business of Irri-Al-Tal – Minority Investment in Kama Agrarian*" for more information regarding Kama Agrarian acquisition.

General Description of the Business of Irri-Al-Tal

Overview of the Business

Irri-Al-Tal is an agriculture technology company that specializes in providing water irrigation solutions to agricultural producers. Irri-Al-Tal competes in the global irrigation water systems market with a focus on developing solutions with commercial applications in the micro and precision irrigation segments of the overall market. According to a 2016 report by global market research and consulting firm Frost & Sullivan, the irrigation water systems market totaled approximately USD \$10 billion in 2016 and is anticipated to grow at a 7.7% CAGR through 2021⁶.

There are several methods of irrigation and they vary in how water is supplied to the plants with the goal being uniform application of water to all plants such that each plant gets precisely the amount of water it needs. Surface irrigation is the oldest form of irrigation and has been in use for thousands of years. In surface (furrow, flood or level basin) irrigation systems, water moves across the surface of agricultural lands, in order to infiltrate into the soil and hydrate plants. It is often called flood irrigation when the irrigation results in flooding or near flooding of the cultivated land. Historically, this has been the most common method of irrigating agricultural land and is still used in many parts of the world⁷.

At present, Irri-Al-Tal's main revenue streams are derived from the following business units: (i) Projects Business Unit; and (ii) Component and Equipment Sales Unit. Outlined below is the financial summary of each of the business units⁸:

<i>(in USD \$000)</i>	Year ended December 31,			Six months ended
	2015	2016	2017	June 30, 2018
Revenue				
Projects Business Unit	781	782	5,331	4,098
Component and Equipment Sales Unit	5,389	4,442	5,248	2,630
Total revenues:	6,170	5,224	10,579	6,728

⁶ <https://www.frost.com/prod/servlet/report-brochure.pag?id=MC37-01-00-00-00>

⁷ Source: Irri-Al-Tal management

⁸ This financial summary must be read in conjunction with Irri-Al-Tal Financial Statements and Irri-Al-Tal MD&A thereto included herein as Schedules "B", "C", "D" and "E".

<i>(in USD \$000)</i>	Year ended December 31,			Six months ended
	2015	2016	2017	June 30, 2018
Cost of Revenues:				
Projects Business Unit	686	574	4,321	3,229
Component and Equipment Sales Unit	4,833	4,184	4,527	2,297
Total Cost of Revenues	5,519	4,758	8,848	5,526
Gross Profit:	651	466	1,731	1,202
SG&A	718	526	707	556
Operating Profit (loss)	(64)	(111)	671	646

Irri-Al-Tal Business Development History and Significant Acquisitions

Irri-Al-Tal was founded in 2003 by Mr. Ohad Haber with a view of capitalizing on the opportunities presented by micro and smart irrigation, while also making a positive mark on society by making these technologies more widely available, especially in developing markets such as Africa and Latin America.

When Irri-Al-Tal commenced operations in 2004, its strategy revolved around exporting proven irrigation technology from Israel to the rest of the world. Under this umbrella, Irri-Al-Tal assembled and sold internationally: filters, sprinklers, valves, driplines, pumps and other irrigation components that were manufactured in Israel. Over time, Irri-Al-Tal gained a small share of the local Israeli irrigation product market and the export market and established long-term relationships with most of Israel's major irrigation component and system OEMs, alongside growing sales in a wide swath of countries.

In 2007, Irri-Al-Tal formed its Projects Business Unit with a view to introducing the Israeli know-how and technology across the world. At the core of Irri-Al-Tal's Projects Business Unit is a team of experts, including experienced engineers and technical staff, tasked with planning, manufacturing and installing turnkey irrigation systems, based on Israeli technology, at locations around the globe, with a focus on developing regions. With time, the division developed a process that begins with data collection and understanding the needs of the client and the project, through to design and implementation and which culminates with an orderly handover, comprehensive training and ongoing support.

In 2008, less than a year after forming the Projects Business Unit, Irri-Al-Tal delivered its first turnkey irrigation project, a small project in Ethiopia, which entailed irrigating a 50-hectare vineyard. The success of this project was followed by a larger turnkey irrigation project in Ethiopia – irrigation of a 250-hectare papaya plantation, which was delivered in 2010.

In 2014, Irri-Al-Tal secured its first Latin American project, in Peru, where Irri-Al-Tal delivered a turnkey irrigation project on an avocado plantation. Irri-Al-Tal's successes in Africa and Latin America resulted in interest from Chinese companies and in 2016 Irri-Al-Tal secured its first project in China, being the irrigation of an apple plantation.

In 2015 and 2016, Irri-Al-Tal began to dedicate more business development and marketing resources to secure projects in various countries and has seen an increase in revenues from the Projects Business Unit in 2017 as compared to 2016 and 2015.

In 2017, Irri-Al-Tal began to target another key initiative in its corporate strategy – licensing proprietary technologies developed by Irri-Al-Tal. Irri-Al-Tal began developing the Precise Irrigation System, which it intends to sell to its clients alongside other equipment. The Precise Irrigation System will be a light-footprint, precision irrigation analysis and recommendation system that will enable agricultural operators to make smarter, data-driven decisions and automate time-consuming and costly processes. Precise Irrigation System will have a remote-access data gathering and analytics platform woven into various elements of irrigation systems. The system intends to employ big data techniques to analyze this data in conjunction with third-party content (e.g. weather forecasts) and generate actionable insights and recommendations, delivered to the farm operator in real-time. Irri-Al-Tal management believes that its solution is different from other precision irrigation systems available today as it does not rely on data from sensors

deployed in the field (although, it can connect to them), greatly reducing the scope and cost of implementing a Precise Irrigation System as compared to competing solutions.

On July 20, 2017 Irri-Al-Tal entered into an agreement to acquire a 50% interest in Kama Agrarian, which was subsequently reduced to 45.05% as a result of amending the Kama Agreement. Kama Agrarian is focused on pursuing a project in the People's Republic of China that will entail provision of services and equipment on a joint-basis with Irri-Al-Tal to establish a greenhouse facility for organic produce. See "*Information Concerning Irri-Al-Tal – General Description of the Business of Irri-Al-Tal – Minority Investment in Kama Agrarian*" for more information regarding the Kama Agrarian Acquisition.

In 2018, Irri-Al-Tal has taken note of the growth in the legal cannabis sector around the world – both medical and recreational use. Irri-Al-Tal plans to enter the legal cannabis sector with a focus on designing and installing smart irrigation systems configured for growing cannabis plants. Irri-Al-Tal expects that targeting the legal cannabis sector will be a significant aspect of its business strategy going forward.

In 2018, after completing the Offering, Irri-Al-Tal intends to take advantage of project financing opportunities. This is a new business segment and has not been used by Irri-Al-Tal on a large scale as a standalone business. The business will consist of providing equipment to certain agricultural project owners prior to receiving payment from the agricultural project owner. In order to mitigate the credit risk associated with this business line, Irri-Al-Tal will take the following steps: (i) the client agricultural operator will execute a promissory note, which in some instances, will carry a personal guarantee provision (in most countries where Irri-Al-Tal does business, but depending on the local law, in conjunction with execution of such promissory note Irri-Al-Tal will acquire security and will, as a secured party, effect a registration and take a lien on the land and assets of the owner to whom it is providing the financing); (ii) once Irri-Al-Tal begins to provide turnkey services or selling parts to the project owner, the owner will also be required under the contract to secure the services by a letter of credit from a local reputable bank.

Products and Services

About Irrigation

Irrigation is an essential part of the agriculture industry and entails a process of applying controlled amounts of water to plants at needed intervals. Irrigation helps grow agricultural crops, maintain landscapes, and revegetate disturbed soils in dry areas and during periods of less-than required rainfall. Irrigation also has other uses in crop production, including frost protection, suppressing weed growth in grain fields and preventing soil consolidation. In contrast, agriculture that relies only on direct rainfall is referred to as rain-fed or dry land farming. Irrigation systems are also used for cooling livestock, dust suppression, disposal of sewage, and in mining. Irrigation is often studied together with drainage, which is the removal of surface and sub-surface water from a given area.

In today's world, water is essential not only for drinking, domestic uses and agriculture, but also in a wide variety of applications for industry, business, energy and more. This means that there is an ever-increasing strain on the earth's water reservoirs, especially when it comes to freshwater. Couple this with phenomena such as global climate change, population growth, and excess crop production, that have been constantly deteriorating freshwater reserves, and one can understand why water has become a scarce resource. This scarcity is even more pronounced in developing countries that are witnessing growing demand for agricultural products while simultaneously suffering from more limited access to freshwater owing to factors such as urbanization, pollution and increasing frequency of droughts. The effects of the freshwater shortage strongly affect agriculture. Consequently, the focus in agriculture, especially in emerging markets, has shifted to maintaining or improving land productivity without impacting water usage, i.e. achieving the highest yields possible with the least amount of water. Plainly put, in agriculture, more than any other water consuming sector of the global economy, every drop really does count.

Types of Irrigation

There are several methods of irrigation, which vary in how the water is supplied to the plants. Main methods include: (i) surface irrigation; (ii) micro-irrigation; (iii) drip irrigation; (iv) precision irrigation; and (v) sprinkler irrigation. Irri-Al-Tal's main focus are the micro-irrigation, drip irrigation and precision irrigation methods

Micro-irrigation is a method that employs lower pressure and flow than traditional sprinkler systems. Also called localized irrigation, low volume irrigation and low-flow irrigation, examples of micro-irrigation systems include micro-sprinklers, drip irrigation, and microsprays.

Drip irrigation involves water dripping directly to roots or other parts of plants, either into the soil surface or the root zone. It consists of components such as valves, tubes, pressure regulators and emitters. Water is delivered one drop at a time directly to the soil surrounding a plant's roots, which provide measured and controlled water supply for agricultural purposes, vastly improving the water to crop production ratio.

Precision irrigation involves an irrigation system that incorporates a number of technologies to collect data from the field and from external data sources, to analyze this data, and to make real time recommendations to agricultural producers. In its base form, precision irrigation incorporates a number of technologies into a single holistic system that collects data from the field and from external data sources, analyzes this data, and makes real time recommendations. A few of the technologies employed by precision irrigation systems include: internet of things ("IoT"), cloud computing, big data and data mining.

Projects Business Unit Description (including Project Financing Sub-Unit)

Through its Projects Business Unit, Irri-Al-Tal designs, installs and maintains turnkey irrigation systems for application in various agricultural and aquaculture operations.

Irri-Al-Tal established the Projects Business Unit division in 2007, which took on and delivered a variety of different turnkey irrigation projects. The Projects Business Unit has evolved since founding, as Irri-Al-Tal has started to take on a wider array of projects, enhancing its ability to service clients in various countries around the world.

The Projects Business Unit has developed the capacity to carry out a wide array of turnkey irrigation projects, as well as projects in related fields, including:

- Irrigation systems – the following systems are deployed systems in different settings, including open fields, greenhouses and shade-net structures: drip irrigation, sprinkler irrigation, center pivot irrigation, micro-irrigation.



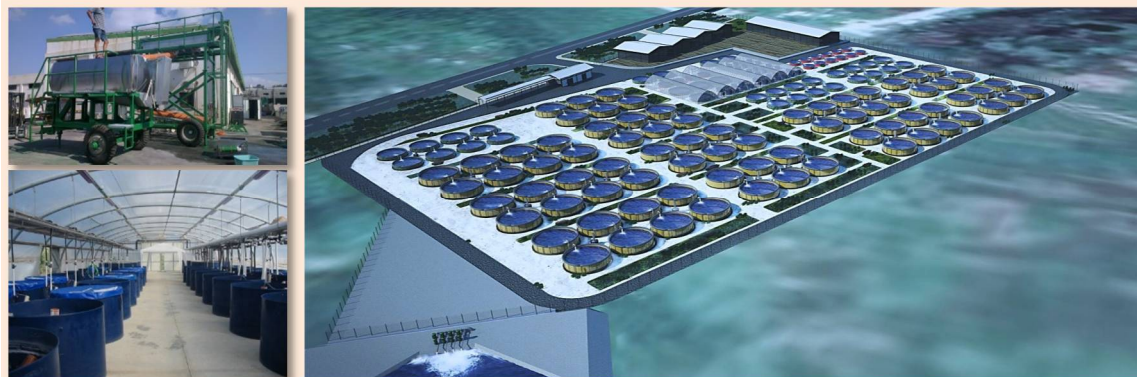
Irrigation Projects in Ethiopia – (i) drip irrigation system and water supply for 500Ha mango plantation; (ii) 2Ha vegetables greenhouse and 50 Ha open field irrigation system.

- Water works – water transportation systems from wells, reservoirs, lakes and rivers, supplying water to villages, farms, industrial zones and factories.



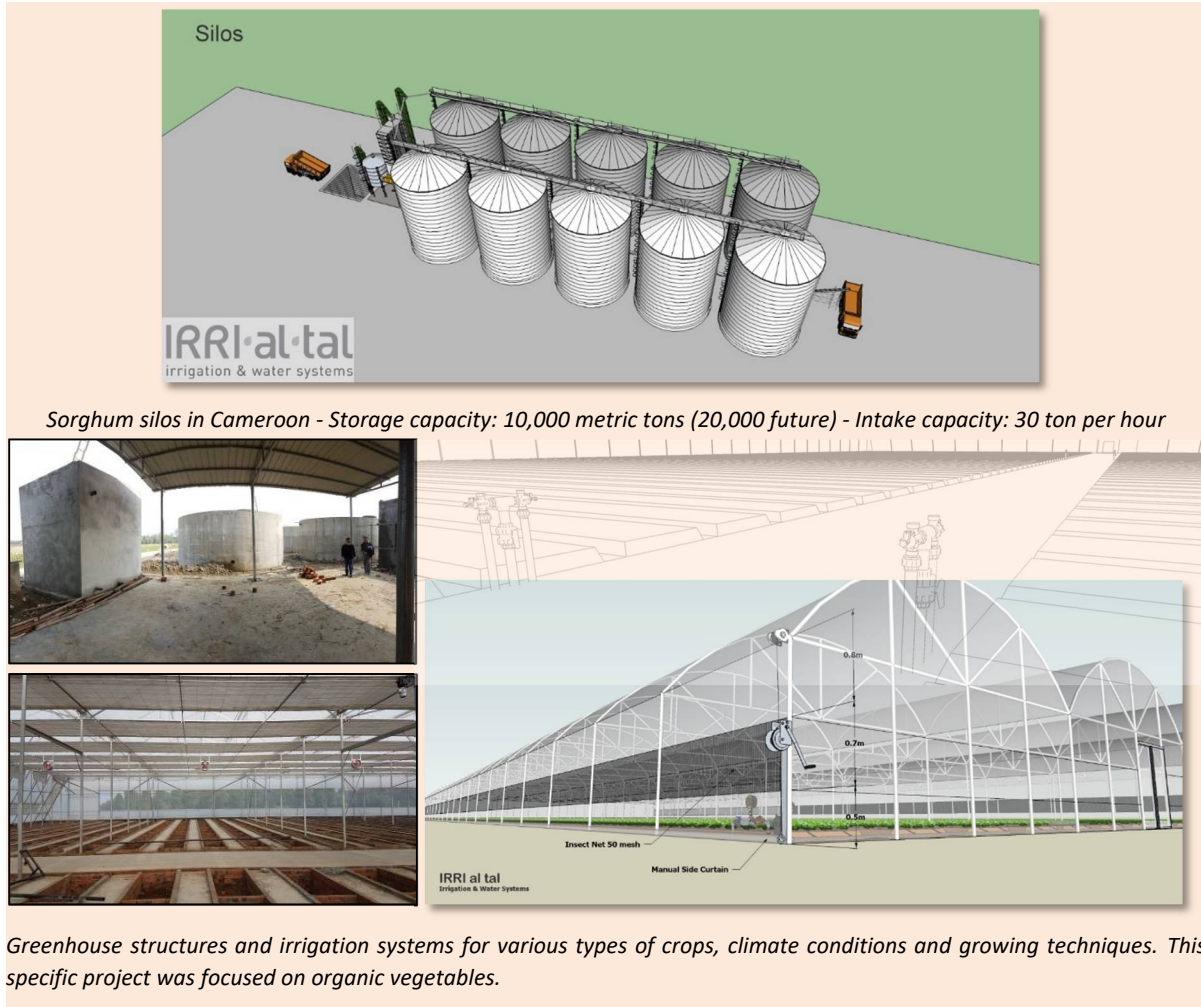
2017 Dejenja chemicals project in Ethiopia - 700 ha of undeveloped land - 4.8 km distance from Irrigation canal to the seconded reservoir -70m difference in ground level

- Fish farms – design, installation and implementation of fish farms in fabricated tanks.



2000 ton/year tilapia and catfish farm in Nigeria

- Civil engineering – Design and build greenhouses, silos and other types of food and agricultural facilities.



A summary of Irri-Al-Tal's typical project process is as follows:

1. **Field visit and data collection** - The process begins with a field visit by Irri-Al-Tal's technical staff, who are joined by the prospective client and/or the prospective client's technical managers. All data required to design the system is collected at this time, including: mapping of water sources, land surveys, perimeters and topography, mapping existing structures within the project area (e.g. buildings, fences, roads, etc., climate and weather conditions data, information regarding political or social barriers, or other limitations that might affect the project), assessing the on-site facilities that can be used for installation, and dividing project roles between Irri-Al-Tal and the prospective client.
2. **Preliminary design and quotation** – At Irri-Al-Tal's headquarters in Israel, Irri-Al-Tal's design department studies all of the data, develops a concept, and creates a general project plan. Based on these items, Irri-Al-Tal delivers a preliminary price quotation which is provided to the prospective client.
3. **Client approval** – Irri-Al-Tal proceeds with the project if the client approves of the proposal and executes the appropriate documents that outline the terms of the project.
4. **Detailed design** – Once the client approves the project, Irri-Al-Tal's team proceeds to create a detailed design, which accounts for a multitude of factors, including: analyzing water sources and defining pumping capacity, filtration or water treatment requirements, calculating irrigation rates and daily water returns based on evaporation data and other climate information, type of water emitters to be used (dripline-regular or auto-compensated, sprinkler, micro-sprinkler, etc.) are selected based on soil analysis, climate data, technical and operational needs

and intended crop growth, additional design elements including: pressurization requirements, underground piping, hydraulic and electrical safety measures, fertigation and mixing unit designs, and an automated control system.

5. **Project specifications** – Upon detailed design completion, detailed maps are produced, which are broken down in detail by the project department.
6. **Procurement** – All necessary materials and equipment are sourced from a range of manufacturers and suppliers. An average project may source its components from 20-25 OEMs.
7. **Transport** – Irri-Al-Tal's logistics team waits for all procured materials and equipment to arrive at Irri-Al-Tal's warehouse in Israel where they are then shipped to the project site.
8. **Preparing for installation** - Irri-Al-Tal's installation manager and his/her team arrive on site before arrival of the equipment to prepare the site and to receive the equipment.
9. **Installation** – The installation teams install all components of the irrigation system and assists with completing requisite testing and start-up procedures.
10. **Training and handover** – During and after the installation process, Irri-Al-Tal provides a training program to the client's personnel tasked with operating the system. The client's employees observe Irri-Al-Tal's installation team to make sure that they fully understand the system and will be able to operate it effectively. Afterwards, the installation team hands over the system and leaves the site.
11. **Post-Installation Support** – After the project has been commissioned the agricultural operator has assumed control of the project. Irri-al-Tal's local team in the country (if there is a satellite office present) or the Israeli engineering back office is available at their service for follow-up questions or troubleshooting that may arise during the initial phase of operations. This includes support via phone and email, and in certain cases Irri-Al-Tal's staff may visit the site if required.
12. **Warranty** – For most projects Irri-Al-Tal provides a one-year manufacturer warranty for all the components that are part of the system. If certain components have to be replaced that are under warranty, Irri-Al-Tal will contact the OEMs that have commissioned the respective parts and carry out all the logistics involved in such a replacement. The agricultural operator's involvement in the process is limited to assisting with returning faulty parts. If Irri-Al-Tal's staff is required to travel to assist with such replacement, Irri-Al-Tal may charge the agricultural operator on a case-by-case basis. If there is fault detected, however, most replacements in the past have been performed free of charge to the agricultural operator.

To date all projects were financed by customers, whereby the customer is required to provide adequate security coverage to the satisfaction of Irri-Al-Tal before the equipment is shipped, which Irri-Al-Tal typically secures with a letter of credit and a secured promissory note. In certain cases, letters of credit are not available or are not available on satisfactory terms, which historically has resulted in Irri-Al-Tal declining those projects.

Irri-Al-Tal is developing a Project Financing Sub-Unit to enable it to broaden its base of business by financing a portion of the equipment that is being provided to agricultural operators. Being close to the project helps Irri-Al-Tal to mitigate potential credit risk by acquiring adequate security coverage. While this is not necessarily a new standalone business unit at this time, since financing the projects involves increasing the payment cycle from the customer, it does require additional external financing, since the payment cycle to suppliers is much shorter than receiving payment from customers. This form of business will result in an interest-bearing asset account on Irri-Al-Tal's balance sheet. Irri-Al-Tal expects that extending these terms to potential customers will result in additional sales that Irri-Al-Tal has not been able to otherwise capture. Once the project is complete, Irri-Al-Tal's financing commitment is repaid from the cash flow generated by the project. Such projects that are financed by Irri-Al-Tal involve a structure that relies primarily on the project's cash flow for repayment, with the project's assets, rights and interests held as secondary security or collateral.

Irri-Al-Tal intends to roll-out this program to its customers after completing the Offering. Furthermore, Irri-Al-Tal expects that after completing the Proposed Qualifying Transaction the Resulting Issuer will be a better candidate to secure conventional bank financing that will help offset potential equity dilution and reduce the overall cost of capital.

Irri-Al-Tal recognizes its revenue for its Projects Business Unit in accordance with IFRS based on percentage of completion, whereas the customers are invoiced once the project has commenced. Please see note 8 to the Irri-Al-Tal Financial Statements for the year ended December 31, 2017 in Schedule "B" and Note 2 to the Irri-Al-Tal Financial Statements for the three and six months ended June 30, 2018 in Schedule "C" for more information regarding Irri-Al-Tal's revenue recognition principles.

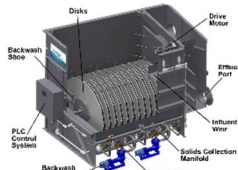
Minority Investment in Kama Agrarian

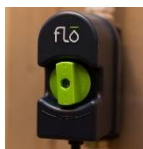
Irri-Al-Tal has a minority (45.05%) equity interest in Kama Agrarian, a private company incorporated under the laws of the State of Israel that is focused on pursuing a project in the People's Republic of China that will entail provision of services and equipment on a joint-basis with Irri-Al-Tal to establish a greenhouse facility for organic produce. Under the terms of the investment, Irri-Al-Tal, Kama Agrarian and its other arm's length shareholders will collectively use commercially reasonable efforts to secure a binding agreement relating to the greenhouse project in China for provision of services and equipment by Kama Agrarian, or establish a joint venture. As of the date hereof, the venture of Kama Agrarian is in the exploratory stages, however the parties are continuing their efforts to secure a China Transaction. No assurance can be provided that the efforts of Kama Agrarian or Irri-Al-Tal in this venture will be successful. Neither Kama Agrarian nor the obligations of Irri-Al-Tal to Kama Agrarian and its investors are material to the business of Irri-Al-Tal.

Component and Equipment Sales Unit

The Component and Equipment Sales Unit was established when Irri-Al-Tal was founded. The Component and Equipment Sales Unit was formed with the notion of making Israeli agriculture technology accessible to a much wider market around the globe than was then able to afford and implement such systems.

The Component and Equipment Sales Unit is focused on purchasing, assembling and exporting technologically advanced irrigation products and systems, manufactured by leading Israel manufacturers, to clients around the globe. The components are assembled in-house by Irri-Al-Tal as well as by other third-party OEMs. The Component and Equipment Sales Unit sells a range of micro-irrigation products. Below are some of the examples of the equipment that Irri-Al-Tal supplies:

Irrigation systems				
Drip laterals	Drippers	Micro-sprayers	Sprinklers	Water pipes and accessories
				
Filtration systems				
Manual	Semi-automatic and automatic filters	Self-cleaning screens	Disc and media filters	
				

Valves and Controls					
Air valves	Check valves	Agriculture hydraulic Controls	Unmeasured flow reducers		
					
Control systems					
Smart monitoring and Control irrigation solutions for home owners, professionals and agriculture		Single standalone battery-operated controller to multi stations, wireless, web-based irrigation and fertigation systems			
					
Connectors					
Hose connectors	Barb connectors	Plastic valves	Risers	Saddles	
					

Irri-Al-Tal prides itself on the supplier relationships that it has established, especially with the larger Israeli OEMs. Some of the suppliers are also competitors to Irri-Al-Tal's Projects Business Unit as they also provide similar services but address a different segment of the market. See "*Information Concerning Irri-Al-Tal – General Description of the Business of Irri-Al-Tal – Competitive Conditions*". To maintain flexibility and ability to respond to changing dynamics of the irrigation equipment marketplace, Irri-Al-Tal generally does not commit to exclusivity with any particular supplier, but secures fixed prices for key product categories. Avoiding 'captive distributor' relationships provides Irri-Al-Tal the flexibility it needs to satisfy the complex needs of its customers.

Proprietary Technology Licensing Business Plan

With the growth of precise irrigation technologies in the global irrigation market, Irri-Al-Tal has started to investigate the development of its own solution that can be sold together with the equipment that it provides to its project customers.

In 2017, Irri-Al-Tal began developing of the Precise Irrigation System, which it intends to sell to its clients alongside other equipment and complement other business activities. The goal of Irri-Al-Tal's research and development efforts regarding the Precise Irrigation System is to bring to market a technological solution that will enable agricultural operators to make data-driven decisions as to how to irrigate their operation while also automating labour time-consuming and intensive processes. The technology seeks to allow operators to remotely access the data gathering and analytics platform woven into various elements of irrigation systems that interfaces with external sources of data. The Precise Irrigation System is intended to be deployed as a remote-access data gathering and analytics platform with the ability to be integrated into the various elements of a given irrigation system.



Mock-up of Precise Irrigation System

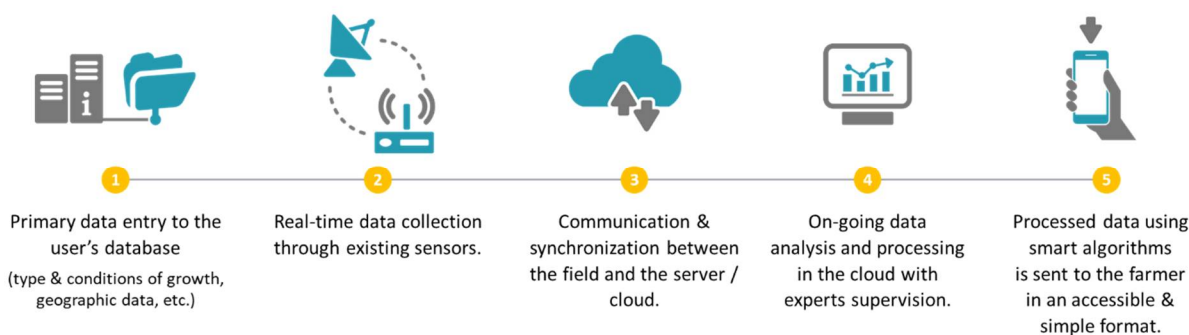
Precise Irrigation System will seek to gather data from a grower's own data sources and/or sensors placed in the field. This data would then be layered over third-party content (e.g. weather forecasts) and analyzed to output actionable insights delivered in real-time to the operator. For example, sensors deployed in a vegetable farm may collect data such as moisture content in the soil which can then be analyzed in the context of forward-looking weather forecasts to determine an optimal irrigation procedure for the operator to pursue. Various potential types of data which the Precise Irrigation System might analyze are outlined below:

Data	Sensor-standard irrigation system
Water Flow	Water Meter
Water Quality	EC / pH controller, filter control (dp, time)
Weather	Metrological station and online info
Fertilization	Fertilizer controller and flow meter
System Maintenance / Status	Video Camera
Additional Data	Water Controller
Agonomic data	Databases (satellite, aerial images etc.)

Upon achieving commercial production readiness of the Precise Irrigation System, the proposed distribution method is to initially provide the technology as a built-in component of all new irrigation systems installed by Irri-Al-Tal's Projects Business Unit, with the intention of augmenting the value proposition of Irri-Al-Tal's projects. Irri-Al-Tal also intends to offer the Precise Irrigation System to existing clients as an upgrade to projects previously installed by Irri-Al-Tal's Projects Business Unit.

Assuming Irri-Al-Tal is successful in deploying the Precise Irrigation System at new and existing client sites, Irri-Al-Tal intends to further develop the technology by transforming crop and irrigation data collected over time into a cloud-based irrigation best practices library that can be queried by operators for a fee in a software as a service business model.

Based on Irri-Al Tal's current development model and intentions for the Precise Irrigation System its forecasted workflow may be as follows once developed:



The Precise Irrigation System is currently in the prototype stage of research and development. In June 2018, Irri-Al-Tal retained a third-party consulting company based in Israel that is focused on developing IoT solutions to complete the development of the Precise Irrigation System. The consultant estimates the development of the solution will cost approximately \$350,000 (which would be pursued if the Minimum Offering is achieved) and an additional \$250,000 is budgeted to implement additional machine learning adjustments over a three-year period (which would be pursued if the Maximum Offering is achieved). See *"Information Concerning the Resulting Issuer – Available Funds and Use of Proceeds"*. Irri-Al-Tal and the consultant have agreed to the following timeline for the development and testing of the Precise Irrigation System:

- Complete graphic user interface and software development – December 2018;
- Test field deployment and software debugging – from December 2018 to March 2019;
- Field trials – March 2019 to September 2019; and
- Commercial roll-out by Irri-Al-Tal – Q4 2019.

Principal Markets

According to Frost & Sullivan, the global irrigation industry had an estimated total market size of USD \$9.2 billion in 2016. Furthermore it is reported that the global irrigation water systems market is expected to grow at a CAGR of 7.7% from 2016 to 2021⁹.

This USD \$9.2 billion market consists of four main segments: data storage and analytics (approximately USD \$194.7 million), irrigation automation (approximately USD \$1,943.2 million), irrigation systems (approximately USD \$6,831.6 million), and irrigation architects (approximately USD \$239.7 million). The irrigation automation and data store and analytics segments are expected to see CAGRs of 9.6% and 15.7% respectively from 2016 to 2021¹⁰.

Precision Irrigation

Precision irrigation incorporates several technologies into a single holistic system that collects data from agricultural operations via sensors and from external data sources, analyzes this data, and makes real time recommendations enabling operators to maximize the performance of their operations. Frost & Sullivan estimate that the precision irrigation market totaled approximately USD \$200 million in 2016 and is anticipated to grow at a 15.7% CAGR through 2021. Precision irrigation systems employ the following technologies:

- IoT: deploying sensors in the field which collect data and gather data using network connectivity features.
- Cloud computing: the practice of using a network of remote servers hosted on the Internet to store, manage, and process data, rather than a local server or a personal computer. This technology enables data collected in the field to be leveraged as a software licensing and delivery model, often referred to as software as a service (SaaS) in which software is licensed on a subscription basis and is centrally hosted.
- Big data and data mining: the process of analyzing large amounts of data derived from external sources (e.g. historical weather data), and internal sources (e.g. sensors deployed in the field) to generate prescriptive recommendations which operators can use to optimize their irrigation practices.

Although the size of the market is relatively modest, adoption of precision irrigation is gaining traction and, in the coming years, is expected to be a large portion of the overall irrigation market. Irri-Al-Tal's management believes that the introduction of this technology will drive the industry over the long-term.

*Micro-irrigation*¹⁰

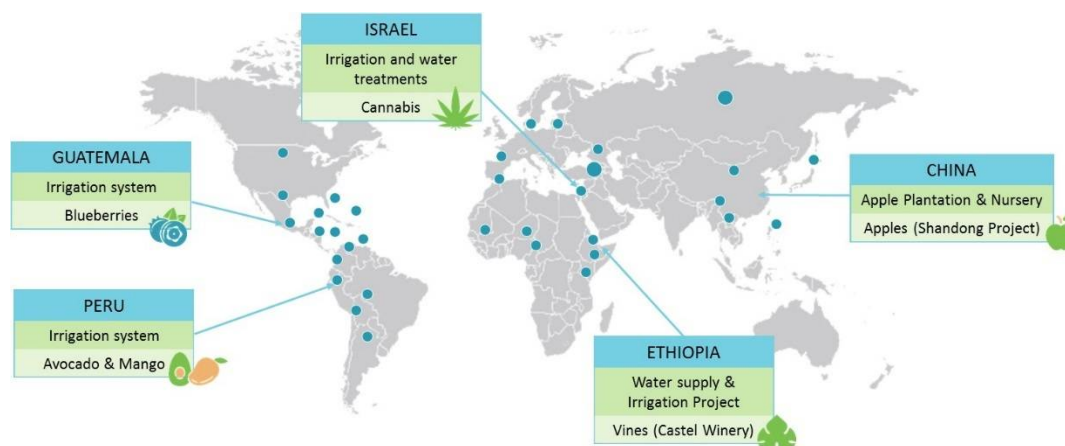
Another form of irrigation technology is micro-irrigation (sometimes called localized irrigation or trickle irrigation), where water is distributed under low pressure through a piped network, in a pre-determined pattern, and applied as a small discharge to each plant or adjacent to it. Small-scale agricultural operators are the more prominent adopters of these systems in order to increase crop yields by utilizing minimal water.

*Geographic Distribution*¹⁰

Irri-Al-Tal competes in the global irrigation systems market primarily in developing countries. This can be attributed primarily to the fact that relatively high rates of economic growth are driving increased demand for agricultural products while simultaneously limiting access to water through factors such as urbanization, pollution and droughts. The confluence of these factors renders developing countries relatively more attractive markets for Irri-Al-Tal to focus on. Moreover, compared to developed countries, developing countries still derive a major proportion of their income from crop cultivation. To date, Irri-Al-Tal has completed projects in the following countries: Ethiopia, Peru, Cameroon, Philippines, Mexico, China, Ecuador, Israel, Nigeria and Laos. Below is a visual representation of the countries where Irri-Al-Tal currently has an, and in the past has had business dealings:

⁹ Frost & Sullivan, *CEO 360 Degree Perspective on the Global Irrigation Water Systems Market*, August 2016, MC 37-15

¹⁰ Information in this section is derived from Frost & Sullivan, *CEO 360 Degree Perspective on the Global Irrigation Water Systems Market*, August 2016, MC 37-15



Frost & Sullivan estimates that the irrigation systems market in Latin America is expected to grow at a CAGR of 7.6% from 2016 to 2021. Revenue in this period is expected to increase from USD \$1,147.7 million to USD \$1,657.2 million. With population and crop production increasing in Latin America, the demand for water is on the rise. Micro-irrigation systems are likely to expand at a CAGR of 9.7% during 2016 to 2021.

The Middle East and Africa region expects to see a CAGR of 6.9% in the irrigation systems market from 2016 to 2021. Currently, the annual market in these regions consists of revenues of USD \$785.5 million. The micro-irrigation market revenue is expected to expand at a CAGR of 8.9%.

In the Asia Pacific region, the irrigation systems market is expected to grow at a CAGR of 9.1% from 2016 to 2021 increasing revenues of USD \$2,552.3 million to USD \$3,938.0 million. Specifically, the micro-irrigation market is expected to grow at a CAGR of 12.3% while the mechanical irrigation market is only likely to expand at a CAGR of 2.6% from 2016 to 2021.

Europe has seen slower growth in micro-irrigation systems as the agricultural market demand is less than that of North America. The irrigations system segment in Europe is expected to expand at a CAGR of 3.6% from 2016 to 2021, growing from revenues of USD \$1,079.4 million to USD \$1,287.6 million respectively.

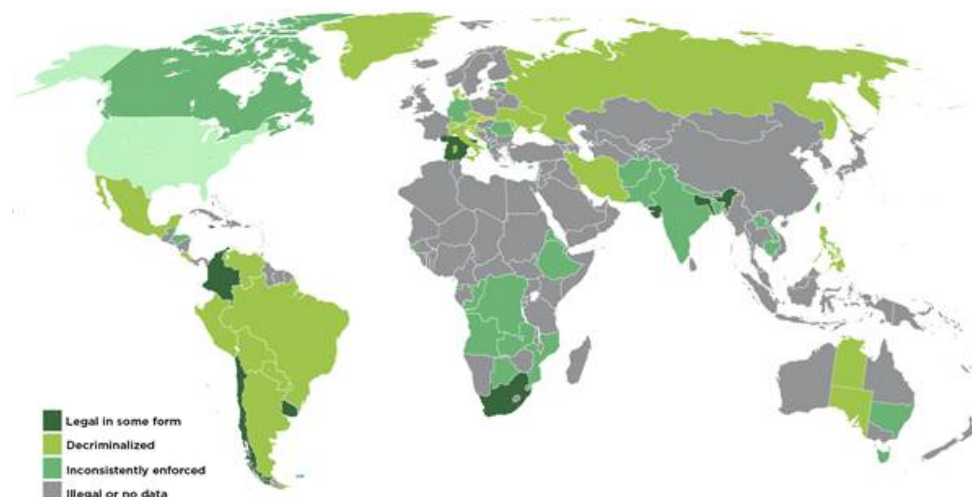
Lastly, the micro-irrigation market in North America is anticipated to grow at a 11.2% CAGR from 2016 to 2021 due to the rising demand for water in severe drought areas. The irrigation market is currently bringing in revenues of USD \$2,952.7 million, which accounts for 32.1% of the global market.

New Market Prospect - Legal Cannabis Market

Several countries around the world have taken steps to legalize cannabis for medical or adult use. The cannabis industry has seen rapid growth and opportunities for investment in agriculture, distribution, and retail. Use of cannabis is in the process of being legalized nationwide in Canada, and in certain states in the United States (despite being illegal in the United States at the federal level). The global cannabis industry is expected to be as large as USD \$57 billion in cannabis sales by 2027¹¹ and specifically in North America it has been estimated to increase from USD \$9.2 billion in 2017 to USD \$47.3 billion by 2027¹².

¹¹ <https://globenewswire.com/news-release/2018/02/26/1387588/0/en/NEW-REPORT-Worldwide-spending-on-legal-cannabis-will-reach-57-billion-by-2027.html>

¹² <https://bdsanalytics.com/press/new-report-worldwide-spending-on-legal-cannabis-will-reach-57-billion-by-2027/>



An important factor in the cultivation of cannabis is a proper irrigation system that is efficient and cost effective in growing large quantities of cannabis. The cannabis production industry has, like other agricultural products, fine-tuned methods of production in which cannabis is grown in highly controlled environments often using micro-irrigation techniques. A significant challenge when growing cannabis is ensuring low water flow rates to the cannabis plants to prevent deoxygenation of the substrate and nitrate poisoning. Irri-Al-Tal offers a solution through a combination of drip irrigation acumen and its Precise Irrigation System, once operational, and is expected to be able to deploy specialty container drip solutions creating optimal conditions for cultivation.

The competition within the global cannabis market is expected to drive cannabis prices down, pressuring companies to find new and innovative technology solutions to reduce costs. Cannabis is typically grown using large-scale hydroponics, requiring sophisticated irrigation solutions. Irri-Al-Tal is well situated to use its supplier relationships, and experience in project development in micro and drip irrigation, to offer irrigation solutions to cannabis growers.

At this time Irri-Al-Tal does not intend to become directly involved in marijuana-growing activities, but does continue to actively explore business opportunities to work with cannabis operators to supply equipment and provide services.

It is anticipated that the Irri-Al-Tal will, upon successfully securing new clients in the cannabis sector, provide products and services in both the Projects Business Unit and Component and Equipment Sales Unit, and potentially the Project Financing Sub-Unit. Irri-Al-Tal has identified the legal cannabis market in Canada and elsewhere as an attractive business opportunity as cannabis producers may have a demand for the Irri-Al-Tal's customized advanced irrigation solutions. However, the Resulting Issuer has no intention to expand the scope or nature of its involvement in the cannabis market (including, for greater certainty, no intention to produce, distribute or sell cannabis-based products or take a direct or indirect interest in cannabis producers), but rather intends to market its advanced irrigation solutions to cannabis producers in countries other than Israel, in accordance with applicable local law. As noted above, the Resulting Issuer will only consider projects in jurisdictions which have legalized cannabis use. At this time Irri-Al-Tal has conducted preliminary business development efforts in several countries that have legalized medical and/or adult-use cannabis regimes, including Canada, but Irri-al-Tal has not made a specific decision to pursue a particular project and will only do so if such project can be carried out in accordance with applicable state laws.

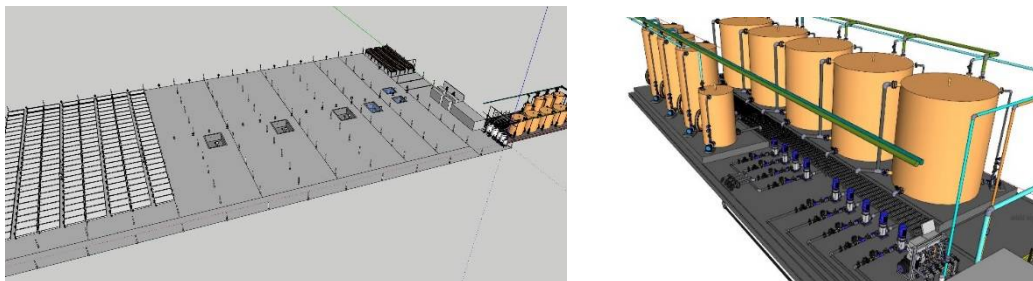
Irri-Al-Tal has secured Kibbutz Han-Shmuel Project described in further detail below and anticipates further projects in the cannabis market in the future.

Kibbutz Gan-Shmuel Project

In 2018, Irri-Al-Tal received an order to deliver a complete irrigation system to a company operating a licensed cannabis project in Kibbutz Gan Shmuel, Israel which is a strategic joint-venture between Kibbutz Gan Shmuel and Cronos Group Inc. ("**Cronos Israel**"), a Canadian publicly listed company that owns interests in various operators

licensed under ACMPR. Founded in 1921, Gan Shmuel has over 1,000 members and spans across 4,939 acres, making it one of the largest kibbutzim in Israel¹³.

Irri-al-Tal's role with respect to the Gan Shmuel project is to design an advanced customized irrigation system for growing cannabis in a 0.4 ha greenhouse. The system will have a central fertigation system, an irrigation controller and a climate controller. The value of the order is approximately USD \$500,000.



Preliminary Design Work for the Irrigation System for Gan Shmuel Project

Israel Cannabis Regulatory Framework

In March 2017, the Israeli Health Ministry announced a new cannabis licensing regime, under which new market entrants were encouraged to apply for various licenses which were no longer vertically integrated. Previously, in June 2016, alongside the growing use and demand for medical cannabis, the Israeli government published Resolution No. 1587, which established a new regulatory framework for the "medicalization" of cannabis. The competent regulatory authority in Israel is the Medical Cannabis Unit of the Israeli Ministry of Health (the "**Yakar**").

Since March 2017, the Yakar has issued a number of provisional cultivation licenses to applicants to develop production facilities. Final approvals for all stages of the cultivation, production, marketing and distribution of cannabis products are subject to compliance with all regulatory requirements. This process involves agricultural, security and production protocols and standards. Once applicants have completed construction of their production facilities and meet all required agricultural and security rules the Yakar will grant approval to commence and conduct actual cannabis operations.

In addition to servicing the domestic market, the Yakar has stated its intention to make Israeli cannabis products available for export. Regulations related to this particular issue are under consideration. Under the proposed regulations those who receive a permit to grow cannabis would be permitted to export cannabis products to countries that permit the use of medical cannabis.

In February 2018, Israeli Prime Minister Benjamin Netanyahu suspended the progress of reforms to allow the export of medical cannabis (the "Export Amendment") pending reviews by the Ministry of Health and the Chairman of the National Economic Council (the "NEC"). The NEC Chairman was instructed to conduct an economic feasibility report, while the Ministry of Health was to prepare an independent review to assess the risk of diversion of cannabis exports to recreational markets.

On March 7, 2018, a bill to decriminalize the recreational use of cannabis (the "Recreational Bill"), imposing fines rather than criminal penalties for first- and second-time possession offenses, unanimously passed its first reading at the Israeli Parliament (the "Knesset"). The preliminary reading of the Recreational Bill in early February 2018 included the Export Amendment, which unanimously passed the preliminary reading along with the remainder of the Recreational Bill. However, the Export Amendment will need to be passed by the Knesset Labor, Welfare and Health Committee before it can continue to its first reading.

On April 11, 2018, an agreement was reached between the Finance Ministry, Health Ministry and Interior Ministry regarding securing medical cannabis during export. Interior Minister Gilad Erdan issued a statement after an

¹³ <https://www.newswire.ca/news-releases/cronos-establishes-international-low-cost-production-in-israel-642850243.html>

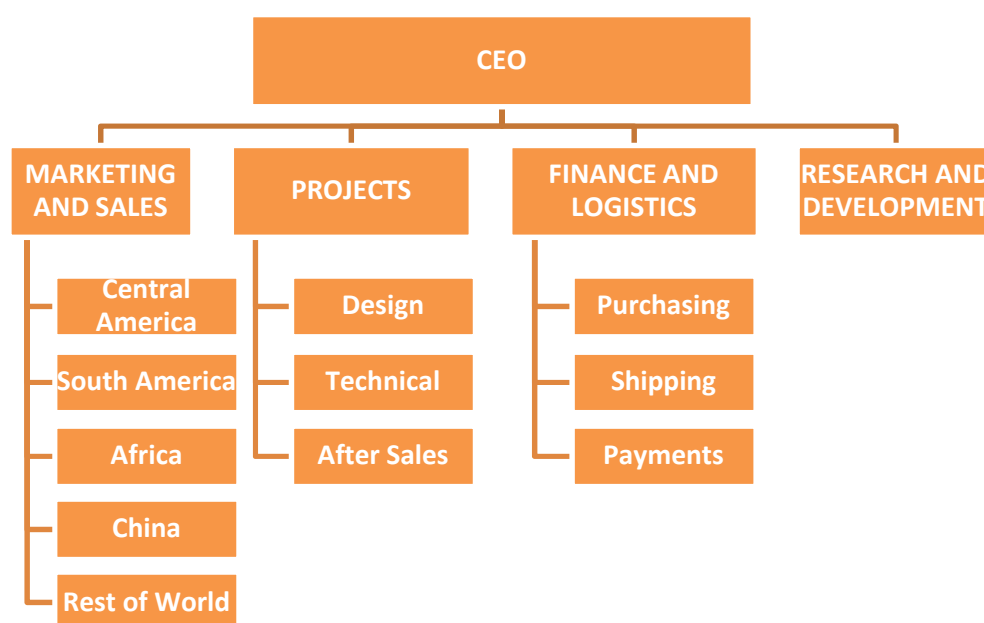
agreement was reached to permit Israel Police to receive adequate resources to monitor exports and prevent medical cannabis from falling into the hands of criminal groups. Exports will only include medical-use cannabis products and not raw cannabis to ensure purely medical use. Until exports are permitted under applicable Israeli law, products from Licensed Operators will be distributed domestically in the local Israeli market.

In relation to working with cannabis operators in Israel, Irri-Al-Tal will only work with those companies who have received requisite licensing from Yakar.

Operations and Marketing Overview

Irri-Al-Tal operates out of its office located in Kibbutz Ramat-David, Israel and has satellite sales and service offices in the countries where it does business. At this time, Irri-Al-Tal has two satellite offices – one in Addis Ababa, Ethiopia and one in Lima, Peru. Each of the business units is serviced by the staff who works out of Irri-Al-Tal's headquarters in Israel.

Irri-Al-Tal's management structure is organized as follows:



Marketing Strategy

Irri-Al-Tal has engaged in little marketing to date, relying mostly on the strength of its reputation, direct sales and the loyalty of its existing customers to continue to propel the business forward. Irri-Al-Tal attends trade-shows from time-to-time. The heart of Irri-Al-Tal's business development efforts lies in its direct sales. Irri-Al-Tal aims to recruit seasoned sales professionals, experienced in selling both products and projects, in Israel and its array of offices outside of the country. Irri-Al-Tal maintains an up to date website, that includes an online catalogue. Irri-Al-Tal gains its market intelligence by keeping in close touch with its sales partners and distributors in countries outside of Israel.

Specialized Skill and Knowledge

Many aspects of Irri-Al-Tal's business require specialized skill and knowledge, given the technical nature of micro and smart irrigation project development, and the knowledge associated with assembling and vending component parts for irrigation. Irri-Al-Tal's management team possesses the necessary specialized skills and knowledge required, including:

- Commercial-Scale Irrigation Project Management
- Commercial-Scale Irrigation Project Design
- Sales and Marketing Expertise
- Knowledge of the Cannabis Industry
- Knowledge of Smart Irrigation Technological Functions
- Knowledge of Soil and Water Sciences
- Knowledge of Irrigation Sector Trends in Emerging Markets
- Financial Management in Irrigation Industry

Irri-Al-Tal has a total of 16 employees all of which are full time, in addition to 4 consultants who dedicate at least 50% of their time to Irri-Al-Tal's operations.

Ohad Haber, President and CEO – Mr. Haber is Irri-Al-Tal's founder. He has over thirty years' experience in the agricultural industry and originally founded Irri-Al-Tal in 2004. Prior to founding Irri-Al-Tal, Mr. Haber served as the Head of Sales and Marketing for Metzterplas, an Israeli-based irrigation company. Mr. Haber has travelled extensively, especially to emerging markets countries, and speaks 4 languages.

Tomer Bachar, Chief Technology Officer – prior to Irri-Al Tal, Mr. Bachar was a Water System and Irrigation Engineer for Metzterplas, as well as for NaanDanJain designing irrigation and water supply systems for numerous projects. Mr. Bachar has also managed several projects in eastern Ethiopia. Mr. Bachar has a BSc in Water and Agriculture Engineering from the Haifa Technion Israel's Institute of Technology.

Amir Eylon, Vice President of Operations and Projects – Mr. Eylon has thirty years of experience in the areas of pressurized irrigation and agricultural products. He brings experience designing and managing the installation of turnkey irrigation projects located in developing regions and has developed a knowledge of market dynamics within the emerging markets as a result. Prior to joining Irri-Al-Tal in November 2005, Mr. Eylon served as an operations manager of Metzterplas in South America. Mr. Eylon holds a BA in Business Administration from the Ruppin Academic Center in Israel.

Oded Gilboa, Marketing and Business Development Manager – Mr. Gilboa has worked with Irri-Al-Tal in a consulting capacity for several years and has recently joined Irri-Al-Tal on a full-time basis. Mr. Gilboa has over 35 years of experience in global water industry and is leading Irri-Al-Tal's business development efforts in the global cannabis industry. Mr. Gilboa is also involved in sales, project management and product marketing, and holds a BSc in Water Engineering along with several diplomas in marketing.

Tal Weil, Head Agronomist – Mr. Weil has over ten (10) years of experience in open field vegetable growing and operating irrigation and fertilization systems. Mr. Weil also has experience in the legal cannabis sector, as he was involved with a legal cannabis cultivation project over a period of two years in the western United States. Mr. Weil holds a BSc in Soil and Water Sciences, Fertilizing and Plant Nutrition from the Hebrew University in Jerusalem.

Competitive Conditions

In the irrigation systems and components market that Irri-Al-Tal is engaged in, Irri-Al-Tal competes primarily with larger firms who also serve as OEM component suppliers to Irri-Al-Tal. These competitor firms generally focus on significantly larger-scale projects than Irri-Al-Tal and prefer to supply Irri-Al-Tal with component parts, as they typically have significant fixed overhead costs which render competing for the small-to-medium sized projects and component part orders uneconomical. As such, Irri-Al-Tal has entered into long-term supplier agreements with many of these competitors to formalize this market dynamic. Irri-Al-Tal's primary competitors/suppliers are:

- **Netafim Ltd.:** Netafim is a pioneer of the micro-irrigation market, is the world's largest manufacturer of drip irrigation equipment (with approximately 30% share of the global market). Netafim's activities revolve around large-scale irrigation projects, offering a broad portfolio of solutions, including complete drip irrigation systems,

computerized monitoring and fertilization control systems for a variety of applications. Netafim operates in over 110 countries¹⁴.

- **Rivulis Irrigation Ltd.:** established in 2017 from a merger between Israeli-based Rivulis Irrigation Ltd. and Greece-based Eurodrip S.A. Rivulis focuses on hardware sales, primarily offering drip and micro-spray products. Rivulis also has a services arm involved exclusively in project execution¹⁵.
- **NaanDanJain Irrigation Ltd.:** NaanDanJain was established in 2012 through the acquisition of NaanDan by Jain Irrigation. NaanDanJain offers dripline systems, micro and mini sprinklers for climate control and irrigation, and metal and plastic agricultural sprinklers¹⁶.
- **Metzerplas Cooperative Agricultural Organization Ltd.:** Metzerplas is an Israel-based company focused on micro-irrigation products and various types of pipelines. Metzerplas designs, upgrades and produces a wide range of irrigation driplines, polyethylene conduction pipes for water, wastewater and gas, reduced-friction communication pipes, and corrosion-free thermally-insulated SP pipes¹⁷.

Irri-Al-Tal's management believes that its competitive advantages include:

- Over thirty years' experience and an understanding of the high-end, high-tech segment of the agriculture sector.
- Irri-Al-Tal targets the underserved small to medium projects segment of the market, providing these operators with access to irrigation systems and knowhow.
- Relationships with Israeli irrigation corporations, the world leaders in efficient micro/drip irrigation, without exclusivity provisions which provide Irri-Al-Tal with flexibility to adapt to changing customer needs.
- Serves as a technical and commercial information hub for both clients and suppliers.
- Not obligated to a single product or a supplier, allowing Irri-Al-Tal to serve its clients impartially and to deliver the solutions that are suited to clients' needs.
- Clients extending across five continents.
- Experience in operating in regions with infrastructure challenges and limited access to clean water.
- Irri-Al-Tal's team is comprised of experienced professionals from within the industry.

Economic Dependence

As outlined herein, Irri-Al-Tal derives a significant portion of its revenues from commercial-scale irrigation projects, which are executed by contract prior to project commencement and carried out thereafter, with revenues recognized on the basis of percentage of completion of a project. As such, Irri-Al-Tal is dependent on several different contracts for portions of its revenue base. For the fiscal years 2018 and 2019, Irri-Al-Tal has executed contracts that it substantially depends on to fulfil its internal sales targets. Irri-Al-Tal's business is not dependent on any one contract, customer or supplier.

While these contracts are expected to comprise a significant portion of sales in the fiscal years 2018 and 2019, Irri-Al-Tal does not consider them individually as material for the purposes of the Offering and the Proposed Qualifying Transaction as they have been entered in the normal course of Irri-Al-Tal's business.

READERS SHOULD BE CAUTIONED THAT THE ESTIMATED AMOUNTS OF THE SCOPE OF EACH PROJECT ARE ESTIMATES ARRIVED AT BY MANAGEMENT BASED ON CURRENT INVOICES. THE ACTUAL AMOUNTS REALIZED MAY BE MATERIALLY DIFFERENT FROM THE ESTIMATES AND SHOULD NOT BE CONSTRUED AS FORWARD LOOKING FINANCIAL GUIDANCE PROVIDED BY IRRI-AL-TAL OR THE COMPANY. WHILE A PORTION OF THE PROJECTS HAVE BEEN INVOICED,

¹⁴ <https://www.netafim.com/>

¹⁵ http://rivulis.com/about_testing/history/

¹⁶ <http://www.naandanjain.com/>

¹⁷ <https://www.metzer-group.com/>

EXECUTION OF THE PROJECTS IS SUBJECT TO A NUMBER OF RISKS, INCLUDING COLLECTION OF THE AMOUNTS PAYABLE (AS THE LETTERS OF CREDIT ARE CURRENTLY ONLY IN PLACE FOR CERTAIN PROJECTS AT THIS TIME) AND DELIVERING THE SCOPE OF EACH OF THE PROJECTS. THE SUMMARY BELOW IS PRESENTED FOR ILLUSTRATION PURPOSES ONLY IN ORDER TO PROVIDE AN OVERVIEW OF CURRENT PROJECTS AND SHOULD BE REVIEWED TOGETHER WITH THE RISK FACTORS LISTED IN "INFORMATION CONCERNING THE RESULTING ISSUER – RISK FACTORS".

#	Location	Description	Period Signed	Est. Amount (USD) ⁽¹⁾
1	China	Irrigation system of organic vegetable greenhouses	Q2 2018	\$440,000
2	China	Irrigation system of Shendong Apple Orchard	Q1 2018	\$220,000
3	Guatemala	Restoration project of an existing greenhouse project blueberries	Q2 2018	\$420,000
4	Guatemala	Irrigation system of a blueberries field	Q2 2018	\$2,800,000
5	Peru	Irrigation system of an avocado and mango farm	Q4 2017	\$2,125,000
6	Peru	Irrigation system of a lettuce farm	Q2 2018	\$770,000
7	Ecuador	Irrigation of an asparagus farm	Q2 2018	\$290,000
8	Ethiopia	120 hectare irrigation system upgrade for vineyards	Q1 2018	\$175,000
9	Nigeria	Water supply for 1500 ton/year catfish farm	Q4 2017	\$2,035,000
10	Israel	Irrigation system for Gan-Shmuel Cannabis Greenhouse ⁽²⁾	Q2 2018	\$500,000
Estimated Total:				\$9,775,000

Note:

- (1) The estimated amount represents the amounts that have been invoiced by Irri-Al-Tal, net of transportation cost.
(2) See "Information Concerning Irri-Al-Tal – Principal Markets – Kibbutz Gan-Shmuel Project".

Project revenues comprised roughly half of Irri-Al-Tal's revenue base in fiscal 2017, with component parts making up the balance. Sales of component parts have historically occurred in a more consistent manner than project revenues, and as such Irri-Al-Tal uses the components segment of its revenue base to provide more consistent revenue recognition where possible. Renegotiation or cancellation of any one of the projects may have an adverse effect on Irri-Al-Tal's financial performance

Environmental Protection

Due to the nature of Irri-Al-Tal's business, particularly in the projects segment, Irri-Al-Tal is subject to regulations and subsequent costs associated with environmental protection and potentially environmental remediation expenses. Compliance with applicable environmental regulations or standards may also require additional capital and operational expenditures. In addition, the multinational nature of Irri-Al-Tal's business means it must navigate multiple regulatory regimes and sets of standards. Irri-Al-Tal believes that its operations are substantially in compliance with all such applicable laws and regulations and that it holds all necessary permits in each jurisdiction in which its facilities are located. Environmental and health and safety regulations are subject to change and interpretation. Expenses associated with regulatory compliance or environmental remediation, both anticipated and unanticipated, could materially impact Irri-Al-Tal's financial performance. Currently, Irri-Al-Tal does not have any outstanding liabilities associated with environmental regulatory compliance or remediation and it does not expect to have any going forward, though this is subject to change, and investors should give consideration to these potential items. At this time Irri-Al-Tal is not aware of any environmental factors that may materially impact its business at this time.

Foreign Operations

Foreign operations make up a significant portion of Irri-Al-Tal's revenues and, therefore, there is a significant reliance upon these markets. In 2018, Irri-Al-Tal is executing commercial-scale irrigation projects in its domestic market of Israel, as well as material projects in China, Nigeria, Ethiopia, Ecuador, Guatemala and Peru. The pursuit of emerging

markets revenues is a significant part of Irri-Al-Tal's corporate strategy and, as such, this should be given consideration by investors. In addition to risks relating to general economic and potential instability in these countries, a number of countries are particularly susceptible to disruption from changing socioeconomic conditions as well as terrorism, sanctions, war and similar incidents. The collectability of receivables can also be difficult to estimate, particularly in areas of political instability or with governments with which Irri-Al-Tal has limited experience or where there is a lack of transparency as to the current credit condition.

Irri-Al-Tal's international sales efforts and profit margins are affected by international trade barriers, including governmental policies on tariffs, taxes, import or export licensing requirements and trade sanctions. Further, some of the countries in which Irri-Al-Tal does business lack fully developed legal systems and are perceived to have elevated levels of corruption. These items warrant consideration from shareholders and prospective shareholders and may materially impact Irri-Al-Tal's business conditions in the future. See *"Information Concerning the Resulting Issuer – Risk Factors"*.

The State of Israel is the primary jurisdiction where Irri-Al-Tal conducts business. In order to conduct business in the State of Israel, Irri-Al-Tal requires the following permits:

- Corporate and tax registration - all companies in Israel must register with The Registrar of Companies - Ministry of Justice ("Registrar") and the Tax Authorities (Ministry of Finance). While Hebrew is the official language of Israel, in practice, corporate documents in English will generally be accepted by the Registrar. All companies doing business in Israel are required to file audited annual tax returns and financial statements within five months after their fiscal year. Taxes to be filed include: tax installments, supplementary company tax installments with respect to certain non-deductible expenses, tax withheld from salaries and remittances to suppliers when applicable, value-added tax and national insurance for the company's employees.
- Local taxes and permits – in certain municipalities Irri-Al-Tal also needs to obtain local permits (for example the fire department) and pay certain local taxes. To Irri-Al-Tal's knowledge no such requirements apply to Irri-Al-Tal.

In respect of other countries where Irri-Al-Tal conducts or intends to conduct business (including China, Nigeria, Ethiopia, Ecuador, Guatemala and Peru), the distribution of equipment is conducted through a local reputable agent, who is responsible for obtaining any local permits to carry out such business. At the time of initiating relationships with such agents, Irri-Al-Tal enters into agreements that require such agents to be compliant with applicable local laws. Irri-al-Tal also conducts diligence on agents prior to entering into arrangements with them, including obtaining third party reports from sources such as Dunn & Bradstreet. Prior to commencing operations in a new jurisdiction, Irri-Al-Tal's management conducts research of any relevant permits that may be required and consults with local parties in that regard including local legal counsel, as required. To date Irri-Al-Tal has not been subject to any restrictions or conditions by any government in any jurisdiction and is not aware of any such restrictions or conditions.

Israel is a jurisdiction with a sophisticated commercial business framework. According to the 2018 OECD Economic Survey of Israel: "The economy is strong, income inequality has fallen, but economic disparities and a lack of social cohesion persist. Reforming education, infrastructure and product markets will enhance inclusiveness and productivity, population growth, strong economic fundamentals and the dynamic high-tech sector are underpinning today's robust expansion. With the continuation of accommodative monetary policy in a stronger external environment and planned investments in offshore gas fields expected to spur future growth, Israel can turn its focus toward new policies that will make its economy both more efficient and more inclusive." Furthermore, on August 4, 2018 S&P raised Israel's credit rating to "-AA" the highest rating that the state has had. The recent upgrade in Israel's credit rating is owing to, among other things, stable fiscal and monetary policies and a decrease in the government debt to GDP ratio. The raised credit rating is a significant achievement for the Israeli economy and indicates confidence in the ability of the economy to grow and the government's ability to maintain a responsible fiscal policy. Raising the rating to "-AA" puts Israel among a relatively small list of countries in the AA-rated family, and places it above countries such as China, Japan and Chile.

As such, in our view operating in Israel does not present the same risks as operating in certain other emerging markets, such as potential expropriation and nationalization risks. In order to protect itself from potential counterparty risk associated with conducting business in countries other than Israel, Irri-Al-Tal secures letters of credit from reputable banks to mitigate potential credit exposure and, for projects not so secured, Irri-Al-Tal maintains a foreign trade risk

insurance policy. Other than accounts receivable, Irri-Al-Tal has no material property interests or assets outside of Israel which may be impacted by country risks related to local laws and customs.

Supplier Financing

While Irri-Al-Tal is not directly involved with lending, it intends to provide supplier financing to its customers from the net proceeds of the Offering, whereby it will assume certain risks by assuming the payable amounts from its customers for the equipment that has been shipped. As such, in order to secure projects from client's who cannot obtain project financing from traditional lenders, Irri-Al-Tal intends to provide the necessary capital at the onset of the project in order to get the irrigation infrastructure installed and operating. Please see "*Information Concerning the Resulting Issuer – Available Funds and Use of Proceeds*". In structuring the financing for such clients Irri-Al-Tal typically ensures that the following is in place prior to entering into such contract: (a) promissory note from agricultural operator, most of which carry a personal guarantee provision; and (b) letter of credit from a local bank. Furthermore, in assessing the suitability of potential project clients Irri-Al-Tal assesses the following characteristics:

- (a) Character and credit track record of the Principals of the agricultural operator company;
- (b) Business environment risk – since many of the projects operate in foreign countries, Irri-Al-Tal undertakes a review of the local industry environment in which such clients operate;
- (c) Regulatory climate – analysis of the regulations surrounding the business of the jurisdiction where such clients operate;
- (d) Security – estimated value of the equipment shipped and fixed assets that are pledged as a collateral to the promissory note (eg. Buildings, other equipment, land, etc.); and
- (e) Project characteristics – cashflow analysis to estimate the profitability of the project once it is operational, as well as the ability of the client to pay back the loan principal and interest in a financially sustainable manner.

Assets

Irri-Al-Tal's main assets are outlined below as well as a brief explanation of how Irri-Al-Tal was satisfied as to its ownership thereof:

- Accounts receivables are comprised of payments due from customers, a majority of which are secured by the letters of credit or foreign trade risk insurance.
- Inventory is comprised of equipment that is being stored at Irri-Al-Tal's headquarters at Kibbutz Ramat David, Israel, which is a leased location. Irri-Al-Tal carries adequate insurance policies to cover the equipment against loss from theft, fire, flood and earthquakes.
- Fixed assets comprise a relatively small proportion of the total assets (below 10%), which include office equipment and vehicles, and are not material to Irri-Al-Tal's operations.

An audit of year-end financial statements of Irri-Al-Tal was completed by Ziv Haft, BDO Member Firm ("**BDO**") a CPAB Participating Firm. BDO has also reviewed the quarterly financials, which in Irri-Al-Tal's view should provide additional comfort with regards to Irri-Al-Tal's ownership of its property interest and assets.

Selected Financial Information of Irri-Al-Tal and Management's Discussion and Analysis of Financial Condition and Results of Operations

The following sets out selected audited financial information for the financial years ended December 31, 2017, 2016 and 2015, which are included hereto in Schedule "B" and selected unaudited financial information for the three and six months ended June 30, 2018 which are included hereto in Schedule "C", which are derived from the Irri-Al-Tal Financial Statements.

Statement of Operations Data (in 000s)	Six months ended June 30, 2018 (unaudited) (USD)	Year ended December 31, 2017 (audited) (USD)	Year ended December 31, 2016 (audited) (USD)	Year ended December 31, 2015 (audited) (USD)
Total Revenues	6,728	10,579	5,224	6,170

Cost of Sales	5,526	8,848	4,758	5,519
Gross Profit	1,202	1,731	466	651
Operating Expenses	556	707	526	718
Operating Profit (Loss)	655	1,024	(60)	(67)
Net Income/(Loss)	500	671	(111)	(64)

Balance Sheet Data (in 000s)	Six months ended June 30, 2018 (unaudited) (USD)	Year ended December 31, 2017 (audited) (USD)	Year ended December 31, 2016 (audited) (USD)
Total Assets	8,141	5,929	3,283
Total Liabilities	5,478	5,308	3,333
Total Shareholders' Equity	2,663	621	(50)

Irri-Al-Tal's MD&A for the financial years ended December 31, 2017, 2016 and 2015 is included in Schedule "D", and the MD&A for the three and six months ended June 30, 2018 are included in Schedule "E". Such MD&A should be read in conjunction with the Irri-Al-Tal Financial Statements and related notes which have been prepared in accordance with IFRS.

Description of Securities

The authorized capital of Irri-Al-Tal consists of 28,500,000,000,000 IAT Shares with a par value of NIS 0.0000035. As of the date hereof there are currently 37,221,961 IAT Shares issued and outstanding. The holders of the IAT Shares are entitled to receive notice of and attend any meeting of Irri-Al-Tal Shareholders and are entitled to one vote for each IAT Share held. The holders of IAT Shares are entitled to receive dividends, if, as and when declared by the board of directors of Irri-Al-Tal and to receive a proportionate share, on a per share basis, of the assets of Irri-Al-Tal available for distribution in the event of a liquidation, dissolution or winding-up of Irri-Al-Tal.

In addition, as of the date hereof, Irri-Al-Tal has a total of 2,500,000 Initial Warrants and 400,000 Initial Financing Finder's Warrants issued and outstanding.

Each whole Initial Warrant is exercisable into one IAT Share with the exercise price being the lower of (i) \$0.55 or (ii) the Offering Price. 1,995,672 Initial Warrants are exercisable until April 16, 2020 and 504,328 Initial Warrants are exercisable until May 29, 2020.

Each whole Initial Financing Finder's Warrant is exercisable into one IAT Share and one Initial Warrant at a price of \$0.40. 319,307 Initial Financing Finder's Warrants expire the earlier of (i) April 16, 2021; or (ii) 24 months from the date Irri-Al-Tal completes a public listing or a reverse takeover (which would include the Proposed Qualifying Transaction). 80,693 Initial Financing Finder's Warrants expire the earlier of (i) May 29, 2021; or (ii) 24 months from the date Irri-Al-Tal completes a public listing or a reverse takeover (which would include the Proposed Qualifying Transaction).

Irri-Al-Tal intends to raise funds by way of the Concurrent Private Placement, pursuant to which Irri-Al-Tal intends to issue up to 4,000,000 Concurrent Financing Units at a of \$0.50 per Concurrent Unit for gross proceeds of a maximum of \$2,000,000.

The number of Common Shares issuable upon completion of the Securities Exchange by the Company in exchange for all of the issued and outstanding IAT Shares is equal to 74,443,922 Common Shares assuming that no securities are issued pursuant to the Concurrent Private Placement, and 82,443,922 Common Shares assuming that the Concurrent Private Placement is fully subscribed.

Irri-Al-Tal's valuation is the deemed value ascribed to Irri-Al-Tal negotiated between the Company and Irri-Al-Tal, which is equal to approximately \$19,000,000 plus the gross proceeds of the Concurrent Private Placement (if any), which would be approximately \$21,000,000 assuming that the Concurrent Private Placement is fully subscribed and assuming that no value is attributed to the convertible securities.

For information on the summary of the securities Irri-Al-Tal has issued and outstanding as of the date hereof, see *"Information Concerning Irri-Al-Tal – Consolidated Capitalization"*.

Prior Sales of Securities

For the 12-month period prior to the date of this Prospectus, the following securities of Irri-Al-Tal were sold:

Date	Number of Securities	Securities Issued	Issue Price Per Security	Aggregate Issue Price	Nature of Consideration Received
April 8, 2018 ⁽¹⁾	1,653,571	IAT Shares	\$0.35	\$578,750	Services
April 16, 2018	3,991,336	Initial Units	\$0.35	\$1,396,967.40	Cash
April 16, 2018	319,307	Initial Financing Finder's Warrants	N/A	N/A	Services
May 29, 2018	1,008,664	Initial Units	\$0.35	\$353,032.60	Cash
May 29, 2018	80,693	Initial Financing Finder's Warrants	N/A	N/A	Services
April 16, 2018 ⁽²⁾	2,068,390	IAT Shares	\$0.35	\$723,937	Services

Notes:

- (1) Represents FMICA Initial Fee. See "Information Concerning the Proposed Qualifying Transaction".
(2) Represents Bresler-Aloni Haft Initial Fee. See "Information Concerning the Proposed Qualifying Transaction".

Principal Securityholders

To the knowledge of the directors and officers of Irri-Al-Tal, as of the date of this Prospectus date, no shareholders beneficially own, directly or indirectly, or exercise control or direction over more than 10% of the registered capital of Irri-Al-Tal, except as follows:

Name and Municipality of Residence	Type of Ownership	Securities Held	% of IAT Shares Prior to Giving Effect to the Offering	% of Common Shares After Giving Effect to the Securities Exchange, Minimum Offering and Assuming that no Securities are Issued Pursuant to the Concurrent Private Placement
Ohad Haber <i>Givat Elah, Israel</i>	Direct	28,500,000	76.6%	67.3%

For information on principal securityholders of the Resulting Issuer, see "Information Concerning the Resulting Issuer – Principal Shareholders of the Resulting Issuer".

Consolidated Capitalization

The following table sets forth the consolidated capitalization of Irri-Al-Tal as at June 30, 2018 and as at the date of this Prospectus. The table should be read in conjunction with the Irri-Al-Tal Financial Statements and the notes thereto included in this Prospectus as Schedule "C".

Description of Security	Number Authorized	Outstanding as at June 30, 2018 (unaudited)	Outstanding as at the Date of this Prospectus (unaudited) ⁽¹⁾⁽²⁾⁽³⁾
IAT Shares	Unlimited	37,221,961	37,221,961
Initial Warrants	-	2,500,000	2,500,000
Initial Financing Finder's Warrants	-	400,000	400,000

Notes:

- (1) On April 8, 2018, Irri-Al-Tal completed a share split of 285,000 for 1, which increased the issued and outstanding shares of Irri-Al-Tal to 28,500,000 IAT Shares each with a par value of NIS 0.0000035.

- (2) On April 3, 2018, Irri-Al-Tal issued 1,653,571 IAT Shares comprising the FMICA Initial Fee pursuant to the FMICA Agreement.
- (3) On April 16, 2018, and May 29, 2018 Irri-Al-Tal has completed the first and the second tranches of the Initial Private Placement that resulted in the issuance of an aggregate 5,000,000 IAT Shares, 2,500,000 Initial Warrants and 400,000 Initial Financing Finder's Warrants.
- (4) April 8, 2018, Irri-Al-Tal issued Bresler-Aloni Haft Initial Fee pursuant to the Bresler-Aloni Haft Agreement.

For the information on the pro-forma consolidated capitalization giving effect to the Offering and the Concurrent Private Placement, see "*Information Concerning the Resulting Issuer – Pro Forma Consolidated Capitalization of the Resulting Issuer*" and "*Information Concerning the Resulting Issuer – Pro-Forma Fully Diluted Share Capital of the Resulting Issuer*".

Options to Purchase Securities

As of the date hereof, Irri-Al-Tal has not granted any options. The Resulting Issuer intends to review the incentive program for its officers, directors, employees and consultants after completion of the Proposed Qualifying Transaction. See "*Information Concerning the Resulting Issuer – Options to Purchase Securities of the Resulting Issuer*" and "*Information Concerning Irri-Al-Tal – Directors and Executive Officers of Irri-Al-Tal – Executive Compensation Discussion and Analysis*".

Directors and Executive Officers of Irri-Al-Tal

The names and municipalities of residence of, and the number and percentage of voting securities and options beneficially owned, directly or indirectly, or over which control or direction is exercised by the current executive officers and directors of Irri-Al-Tal as well as the offices held by each and the principal occupation of each during the past five (5) years are as follows:

Name, Municipality of Residence and Position with Irri-Al-Tal	Director or Officer Since	Principal Occupation During the Last Five Years	Number of IAT Shares owned
Ohad Haber⁽¹⁾ Givat Elah, Israel <i>Chief Executive Officer and Director</i>	January 2004	CEO of Irri-Al-Tal.	28,500,000
Meira Zada Afula, Israel <i>Chief Financial Officer</i>	January 2018	CFO of Irri-Al-Tal from January 2018. CFO of SuperCom Ltd. between January 2012 and January 2013. Professional accounting practice from January 2004.	Nil
Amir Eylon Mishmarot, Israel <i>Vice President of Operations and Projects</i>	November 2005	Vice President of Operations and Projects of Irri-Al-Tal.	Nil
Tomer Bachar Kibbutz Metzger, Israel <i>Chief Technology Officer</i>	July 2017	Water Engineer with Irri-Al-Tal from July 2017; Water Engineer with Meterzplaz between 2014 and 2017; Water Engineer with NaanDanJain between 2012 and 2014.	Nil

Note:

- (1) As of the date hereof, the board of directors of Irri-Al-Tal is comprised of a sole director – Mr. Ohad Haber.

The total aggregate number of IAT Shares beneficially owned, directly or indirectly, by all directors and officers of Irri-Al-Tal is 28,500,000, which is equal to 76.6% of the issued and outstanding IAT Shares at the time of this

Prospectus. Employment and consulting agreements for all the directors and officers of Irri-Al-Tal contain non-competition or non-disclosure agreements with Irri-Al-Tal.

In addition to any other requirements of the Exchange, the Exchange expects management of Irri-Al-Tal to meet a high management standard. The directors of Irri-Al-Tal believe that, on a collective basis, management possesses the appropriate experience, qualifications and history to be capable of carrying out Irri-Al-Tal's business.

Officer and Director Biographies

Ohad Haber, CEO and Director, 61 years of age – Mr. Haber has thirty years of experience in project management sales and marketing in the agricultural industry. Prior to founding Irri-Al-Tal, between 1997 and 2002 Mr. Haber served as sales and operations manager of Latin America Region at Dan Sprinklers Ltd. - an Israeli manufacturer of sprinklers and irrigation systems, which merged with NaanDan Irrigation Systems (C.S.) Ltd. in 2007 to form NaanDanJain Irrigation C.S. Ltd. ("**NaanDanJain**"). Between 1992 and 1997 Mr. Haber served as the Head of Israel sales and marketing for Metzerplas an Israeli manufacturer of drip irrigation systems. Mr. Haber has extensive operational experience in the area of open field and vineyard farms irrigation.

Meira Zada, CFO, 41 years of age – Ms. Zada oversees Irri-Al-Tal's finance team, including analytics, planning, and accounting. She is a certified public accountant and has over 13 years of public accounting experience. Between January 2012 and January 2013 Ms. Zada served as the CFO of SuperCom Ltd. (NASDAQ:SPCB). Between January 2004 and December 2010 Ms. Zada served as a financial controller at Elspec Ltd. a company listed on the TASE. Ms. Zada is an Israeli CPA and holds a BA in Accounting and Economics from the Ruppin Academic Center in Israel.

Amir Eylon, Vice President of Operations and Projects, 52 years of age – Mr. Eylon has thirty years of experience in the areas of pressurized irrigation and agricultural products. He brings experience designing and managing the installation of turnkey irrigation projects located in developing regions and has developed a knowledge of market dynamics within the emerging markets as a result. Prior to joining Irri-Al-Tal November 2005, Mr. Eylon served as an operations manager of Metzerplas in South America. Mr. Eylon holds a BA in Business Administration from the Ruppin Academic Center in Israel.

Tomer Bachar, Chief Technology Officer, 35 years of age – Mr. Bachar is Irri-Al-Tal's Chief Technology Officer and also supports the marketing department. Prior to joining Irri-Al Tal, Mr. Bachar held the position of Water System and Irrigation Engineer with Metzerplas, as well as in NaanDanJain designing irrigation and water supply systems for numerous projects. Mr. Bachar has also managed several irrigation projects in eastern Ethiopia. Mr. Bachar has a BSc in Water and Agriculture Engineering from the Haifa Technion, Israel's Institute of Technology.

Corporate Cease Trade Orders, Individual Bankruptcies, Penalties and Sanctions

Within ten (10) years before the date of this Prospectus, none of the directors, executive officers or Promoters of Irri-Al-Tal was a director, CEO or CFO of any company (including Irri-Al-Tal) that was:

- (a) subject to an Order that was issued while the director or executive officer was acting in the capacity as director, CEO or CFO; or
- (b) was subject to an Order that was issued after the director or executive officer ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO; or
- (c) has been within ten (10) years before the date of this Prospectus, a director or executive officer of any issuer that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

- (e) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

For the purposes of the foregoing the term "Order" means a cease trade order or similar order or an order that denied that issuer access to any exemptions under applicable securities legislation.

Executive Compensation Discussion and Analysis

The below disclosure relating to the executive compensation of Irri-Al-Tal includes executive compensation of the executive officers and directors of Irri-Al-Tal.

Named Executive Officers

Securities legislation requires the disclosure of the compensation received by each Named Executive Officer of Irri-Al-Tal for the most recently completed financial year. Named Executive Officer is defined by NI 51-102 to mean: (i) the Chief Executive Officer of Irri-Al-Tal; (ii) the Chief Financial Officer of Irri-Al-Tal; (iii) each of Irri-Al-Tal's three most highly compensated executive officers or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and Chief Financial Officer, at the end of the most recently completed financial year and whose total compensation was, individually, more than CAD\$150,000 for that financial year; and (iv) each individual who would be a "Named Executive Officer" under paragraph (iii) but for the fact that the individual was neither an executive officer of Irri-Al-Tal, nor acting in a similar capacity, at the end of the most recently completed financial year.

Compensation Discussion and Analysis

The board of directors of Irri-Al-Tal is responsible for setting the overall compensation strategy of Irri-Al-Tal and evaluating and making determinations for the compensation of its directors and executive officers. The board of directors of Irri-Al-Tal annually reviews and determines base salary, incentive compensation and long-term compensation for Irri-Al-Tal directors and executive officers.

In determining the total compensation of any member of senior management, the directors of Irri-Al-Tal consider all elements of compensation in total rather than one element in isolation. The directors of Irri-Al-Tal also examine the competitive positioning of total compensation and the mix of fixed, incentive and share-based compensation.

It is the objective of Irri-Al-Tal's compensation program to attract and retain highly qualified executives and to link incentive compensation to performance and shareholder value. It is the goal of the board of directors of Irri-Al-Tal to endeavor to ensure that the compensation of executive officers is sufficiently competitive to achieve the objectives of the executive compensation program. The board of directors of Irri-Al-Tal gives consideration to Irri-Al-Tal's performance as well to the qualitative aspects of the individual's performance and achievements.

Other than the use of leased company cars and statutory pension benefits that are required under Israeli laws no personal benefits are granted to the executive officers of Irri-Al-Tal and no objective or subjective bonus has been contemplated. Irri-Al-Tal does not offer any group benefit plans, such as medical, dental, life, accidental death and dismemberment and long-term disability coverage.

Summary Compensation Table

The following table sets forth information concerning the total compensation paid to the Named Executive Officers of Irri-Al-Tal during the financial years ended December 31, 2017, 2016 and 2015. All figures are listed in USD.

Name and Principal Position	Year	Salary (USD)	Option- based awards (USD)	Non-equity incentive plan compensation (USD)				
				Annual incentive plans	Long-term incentive plans	Pension value (USD)	All other compensation (USD)	Total compensation (USD)
Ohad Haber <i>Director and Chief Executive Officer</i>	2017	146,998 ⁽¹⁾	N/A	N/A	N/A	11,398 ⁽¹⁾	N/A	158,397 ⁽¹⁾
	2016	98,786 ⁽²⁾	N/A	N/A	N/A	10,422 ⁽²⁾	N/A	109,208 ⁽²⁾
	2015	144,104 ⁽³⁾	N/A	N/A	N/A	11,528 ⁽³⁾	N/A	155,633 ⁽³⁾
Meira Zada⁽⁴⁾ <i>Chief Financial Officer</i>	2017	10,858 ⁽¹⁾	N/A	N/A	N/A	N/A	N/A	10,858 ⁽¹⁾
	2016	11,634 ⁽²⁾	N/A	N/A	N/A	N/A	N/A	11,634 ⁽²⁾
	2015	16,079 ⁽³⁾	N/A	N/A	N/A	N/A	N/A	16,079 ⁽³⁾
Amir Eylon <i>Vice President of Operations and Projects</i>	2017	46,573 ⁽¹⁾	N/A	N/A	N/A	5,104 ⁽¹⁾	N/A	110,568
	2016	43,428 ⁽²⁾	N/A	N/A	N/A	4,661 ⁽²⁾	N/A	67,615 ⁽²⁾
	2015	90,546 ⁽³⁾	N/A	N/A	N/A	9,453 ⁽³⁾	N/A	99,999 ⁽³⁾
Tomer Bachar <i>Chief Technology Officer</i>	2017	30,543 ⁽¹⁾	N/A	N/A	N/A	5,965 ⁽¹⁾	N/A	36,508 ⁽¹⁾
	2016	Nil	N/A	N/A	N/A	N/A	N/A	Nil
	2015	Nil	N/A	N/A	N/A	N/A	N/A	Nil

Notes:

- (1) 2017 US-NIS Exchange Rate: USD \$1 = 3.5998 NIS
- (2) 2016 US-NIS Exchange Rate: USD \$1 = 3.8410 NIS
- (3) 2015 US-NIS Exchange Rate: USD \$1 = 3.8869 NIS
- (4) Ms. Zada was appointed as a Chief Financial Officer of Irri-Al-Tal on January 1, 2018. Prior to her appointment, she was acting as an external auditor and bookkeeper to Irri-Al-Tal, and the compensation figures in the table above reflect this structure.

Incentive Plan Awards and Outstanding Share-Based Awards and Option-Based Awards

Irri-Al-Tal does not currently have any share-based or option-based awards or plans to introduce shared-based awards or option-based awards for officers or directors.

Pension Benefits

Other than the provisions under the Severance Pay Law, Irri-Al-Tal does not have a pension plan that provides for payments or benefits to the Named Executive Officers or directors at, following, or in connection with retirement. See "Information Concerning the Resulting Issuer - Proposed Executive Compensation of the Resulting Issuer."

Termination and Change of Control Benefits

Each of the officers Irri-Al-Tal have entered into agreements with Irri-Al-Tal, which are summarized below.

Haber Agreement

On January 1, 2004, Irri-Al-Tal entered into an employment agreement with Mr. Ohad Haber, Chief Executive Officer and sole director of Irri-Al-Tal and a proposed Chief Executive Officer and a proposed director of the Resulting Issuer (the "**Haber Agreement**"). Pursuant to the Haber Agreement, Ohad Haber has agreed to perform the services of Chief Executive Officer to Irri-Al-Tal. The Haber Agreement provides that Ohad Haber will be paid a base fee of NIS 30,000 per month, which is subject to customary deductions under the Severance Pay Law. On January 1, 2018, the Haber Agreement was amended to increase the base fee to NIS 60,000 per month and to provide that Ohad Haber shall also be paid a bonus equal to 0.5% of Irri-Al-Tal's net revenue. The Haber Agreement also includes a non-disclosure clause and a termination provision, whereby the Haber Agreement may be terminated by either party upon providing 60 day written notice, except in the case where an employee has been convicted of the criminal offence of embezzlement, in

which case it may be terminated by Irri-Al-Tal immediately without notice. The Haber Agreement does not contain change of control, severance (other than the amounts required by law) or constructive dismissal provisions.

Zada Agreement

On January 1, 2018, Irri-Al-Tal entered into an employment agreement with Ms. Meira Zada, Chief Financial Officer of Irri-Al-Tal and the proposed Chief Financial Officer of the Resulting Issuer (the "**Zada Agreement**"). Pursuant to the Zada Agreement, Meira Zada has agreed to perform the services of a Chief Financial Officer to Irri-Al-Tal. The Zada Agreement provides that Meira Zada will be paid a base fee of NIS 30,000 per month. The Zada Agreement also includes a non-disclosure clause and non-competition clauses which cover certain confidentiality provisions and a restriction on undertaking certain activities for the duration of the term of the Zada Agreement and for 12 months after termination. The Zada Agreement may be terminated by either party upon providing written notice in accordance with Israeli advanced notice law, except in the case where an employee has been convicted of the criminal offence of embezzlement, in which case it may be terminated by Irri-Al-Tal immediately without notice. The Zada Agreement does not contain change of control, severance (other than the amounts required by law) or constructive dismissal provisions.

Eylon Agreement

On December 1, 2005, Irri-Al-Tal entered into an employment agreement with Mr. Amir Eylon, Vice President of Operations and Projects of Irri-Al-Tal and a proposed Vice President of Operations and Projects of the Resulting Issuer (the "**Eylon Agreement**"). Pursuant to the Eylon Agreement, Amir Eylon has agreed to perform the services of the Vice President of Operations and Projects to Irri-Al-Tal. The Eylon Agreement provides that Amir Eylon will be paid a base fee of NIS 20,000 per month, which is subject to an annual base wage increase of 5%. The Eylon Agreement also includes a non-disclosure clause and non-competition clauses which cover certain confidentiality provisions and a restriction on undertaking certain activities for the duration of the term of the Eylon Agreement and for 12 months after termination. The Eylon Agreement may be terminated by either party upon providing written notice in accordance with Israeli advanced notice law, except in the case where an employee has been convicted of the criminal offence of embezzlement, in which case it may be terminated by Irri-Al-Tal immediately without notice. The Eylon Agreement does not contain change of control, severance (other than the amounts required by law) or constructive dismissal provisions. The Eylon Agreement was amended on August 12, 2018, whereby Amir Eylon shall receive a work grant equal to USD \$100,000 on December 10, 2018 as well as provide for the following with an effective date of January 1, 2019- an increase in the base wage to NIS 35,000 per month, 1% of Irri-Al-Tal's net revenue in the Projects Business Unit, not including Ethiopia, and 15% of net profit of certain of Irri-Al-Tal's projects in Ethiopia.

Bachar Agreement

On July 23, 2017, Irri-Al-Tal entered into an employment agreement with Mr. Tomer Bachar, Chief Technology Officer of Irri-Al-Tal and the proposed Chief Technology Officer of the Resulting Issuer (the "**Bachar Agreement**"). Pursuant to the Bachar Agreement, Tomer Bachar has agreed to perform the services of the Chief Technology Officer to Irri-Al-Tal. The Bachar Agreement provides that Tomer Bachar will be paid a base fee of NIS 20,000 per month. The Bachar Agreement also includes a non-disclosure clause and non-competition clauses which cover certain confidentiality provisions and a restriction on undertaking certain activities for the duration of the term of the Bachar Agreement and for 12 months after termination. The Bachar Agreement may be terminated by either party upon providing written notice in accordance with Israeli advanced notice law, except in the case where an employee has been convicted of the criminal offence of embezzlement, in which case it may be terminated by Irri-Al-Tal immediately without notice. The Bachar Agreement does not contain change of control, severance (other than the amounts required by law) or constructive dismissal provisions.

Director Compensation

During the financial years ended December 31, 2017, 2016 and 2015, Irri-Al-Tal had a sole director – Mr. Ohad Haber, whose compensation appears in "*Information Concerning Irri-Al-Tal - Executive Compensation Discussion and Analysis – Summary Compensation Table*".

Indebtedness of Directors and Officers

As of the date hereof, none of the directors, the officers or Promoter of Irri-Al-Tal, nor any of their respective Associates or Affiliates is indebted to Irri-Al-Tal.

Legal Proceedings and Regulatory Actions

There are no material legal proceedings involving Irri-Al-Tal as at the date of this Prospectus and Irri-Al-Tal knows of no such proceedings currently contemplated. There have been no material penalties, sanctions, or settlement agreements imposed by a court or regulatory body upon Irri-Al-Tal as at the date of this Prospectus and Irri-Al-Tal knows of no such proceedings currently contemplated.

Interest of Management and Others in Material Transactions

Other than as disclosed in this Prospectus, none of the directors or executive officers of Irri-Al-Tal, or persons or companies that beneficially own, or control or direct, directly or indirectly, more than 10% of the outstanding IAT Shares, or any Associate or Affiliate of any of the foregoing, has any material interest, direct or indirect, in any transactions in which Irri-Al-Tal has participated within the three (3) years before the date of this Prospectus, which has materially affected or is reasonably expected to materially affect Irri-Al-Tal.

Audit Committee and Corporate Governance

As of the date hereof, Irri-Al-Tal's board of directors is comprised of the sole director – Mr. Ohad Haber and Irri-Al-Tal does not have a formal audit committee. Mr. Haber is considered not independent and is considered financially literate as such terms are defined in NI 52-110 and will be appointed to the Board as the chairman after completion of the Proposed Qualifying Transaction. After completion of the Proposed Qualifying Transaction, the Resulting Issuer will implement the appropriate provisions of NI 52-110, see "*Information Concerning the Resulting Issuer – Audit Committees and Corporate Governance*".

Promoters

During the two (2) years immediately preceding the date of this document, the Promoters of Irri-Al-Tal have been and are as follows:

Name of Promoter	Number of IAT Shares	Percentage
Ohad Haber	28,500,000	76.6%

Auditor, Transfer Agent and Registrar

The auditors Irri-Al-Tal are Ziv Haft, Certified Public Accountants (Isr.), BDO Member Firm, BDO House Building B, 48 Menachem Begin Road, Tel Aviv 66180 Israel.

Irri-Al-Tal does not have a transfer agent and registrar.

Material Contracts of Irri-Al-Tal

The following are the only material contracts entered into by Irri-Al-Tal within two (2) years prior to the date hereof, which are currently in effect and considered to be currently material:

1. Employment agreement with Mr. Ohad Haber dated January 1, 2004, together with addendum dated January 1, 2018.

2. Securities Exchange Agreement between the Company, Irri-Al-Tal and Irri-Al-Tal shareholders. See *"Information Concerning the Proposed Qualifying Transaction – The Securities Exchange Agreement"*.
3. Value Security Escrow Agreement with Escrow Agent and certain Irri-Al-Tal shareholders to be entered into prior to or on QT Closing Date – see *"Information Concerning the Resulting Issuer – Escrowed Securities and Other Securities Subject to Contractual Restrictions on Transfer"*.
4. Surplus Securities Escrow Agreement with Escrow Agent and certain Irri-Al-Tal shareholders to be entered into prior to or on QT Closing Date – see *"Information Concerning the Resulting Issuer – Escrowed Securities and Other Securities Subject to Contractual Restrictions on Transfer"*.
5. FMICA Agreement – see *"Information Concerning the Proposed Qualifying Transaction"*.
6. Bresler-Aloni Haft Agreement – see *"Information Concerning the Proposed Qualifying Transaction"*.

Copies of all material contracts are, or will be, as applicable, available under the SEDAR profile of the Company at www.sedar.com.

Risk Factors

The business of Irri-Al-Tal, which will be the business of the Resulting Issuer, is subject to a number of risk factors. See *"Information Concerning the Resulting Issuer – Risk Factors"*.

INFORMATION CONCERNING PROPOSED QUALIFYING TRANSACTION

The Company has identified the Proposed Qualifying Transaction with Irri-Al-Tal as an appropriate transaction for the purpose of completing its Qualifying Transaction as required under the CPC Policy. The Proposed Qualifying Transaction will be completed by way of the Securities Exchange Agreement, pursuant to which the Company will acquire all issued and outstanding IAT Shares and Irri-Al-Tal will become a wholly owned Subsidiary of the Company.

The completion of the Proposed Qualifying Transaction is subject to, among other things, prior satisfaction or waiver of a number of conditions, including completion of at least the Minimum Offering, the final Exchange acceptance of the Proposed Qualifying Transaction, completion of the Consolidation, and the satisfaction or waiver of the conditions in the Securities Exchange Agreement. Upon completion of the Proposed Qualifying Transaction, the Resulting Issuer is expected to meet all of the Exchange's minimum listing requirements for an Exchange listed issuer.

The Proposed Qualifying Transaction does not constitute a Non-Arm's Length Qualifying Transaction pursuant to the definition of such term in the CPC Policy and is not a Related Party Transaction. Consequently, the Proposed Qualifying Transaction does not require any approval of the shareholders of the Company.

Following the date of this Prospectus, it is expected that the Proposed Qualifying Transaction will occur sequentially in several stages in the following order.

1) *Closing of the Concurrent Private Placement* – Irri-Al-Tal intends to undertake the Concurrent Private Placement of Concurrent Units, closing of which is expected to occur first in the sequence of events relating to the Proposed Qualifying Transaction. Closing of the Concurrent Private Placement is not a condition to completion of the Proposed Qualifying Transaction and is not subject to a minimum subscription. Irri-Al-Tal may elect not to issue any securities relating to the Concurrent Private Placement. Concurrent Units will be issued at a price of \$0.50 per Concurrent Unit for gross proceeds of up to \$2,000,000. Each Concurrent Unit will be comprised of one IAT Share and one half of one Concurrent Warrant. Each whole Concurrent Warrant will entitle the holder thereof to purchase one IAT Share at an exercise price of \$0.80 at any time on or before the date that is 24 months following the issuance thereof. Participants of the Concurrent Private Placement will agree to be bound by the terms of the Securities Exchange Agreement. Irri-Al-Tal has also agreed to pay finder's fees equal to 8% of the gross proceeds raised under the Concurrent Private Placement, and issue Concurrent Finder's Warrants equal to 8% of the Concurrent Units issued under the Concurrent Private Placement. Each Concurrent Finder's Warrant is exercisable into one IAT Share for a period of 24 months from the date of issuance at a price per IAT Share equal to \$0.50. Securities issued in the Concurrent Private Placement will be exchanged for Common Shares, Consideration Warrants and Consideration Finder's Warrants in the Securities Exchange, respectively. The net proceeds of the Concurrent Private Placement will be used by Irri-Al-Tal for general working capital purpose. Irri-Al-Tal entered into the FMI CPP Agreement with FMI to assist with the Concurrent Private Placement. There is no minimum amount to be raised under the Concurrent Private Placement.

2) *Consolidation* – Immediately prior to the completion of, and as a condition to, the Proposed Qualifying Transaction, the Company proposes to consolidate the outstanding Pre-Consolidation Shares on the basis of one Common Share for 1.4964285 Pre-Consolidation Shares. The Consolidation was approved at the Company Meeting by the Company Shareholders and remains subject to approval by the Exchange.

3) *The Offering* – Immediately prior to the completion of, and as a condition to, the Proposed Qualifying Transaction, the Company proposes to complete the Offering, which is being carried out in connection with the Proposed Qualifying Transaction, and concurrently with closing the Offering the Company will complete the Securities Exchange. The Offering is conditional upon the concurrent closing of the Proposed Qualifying Transaction and raising the Minimum Offering. The securities offered under the Offering consist of a minimum of 8,000,000 Units and a maximum of 16,000,000 Units at a price of \$0.25 per Unit for gross proceeds of a minimum of \$2,000,000 and a maximum of \$4,000,000. The Units will be offered to the public in the Offering Jurisdictions on a commercially reasonable efforts basis by the Agent. Each Unit is comprised of one Common Share and one-half of one Unit Warrant, with each whole Unit Warrant being exercisable into one Common Share at an exercise price of \$0.40 for a period of 24 months from the date of issuance, subject to the Acceleration Clause.

4) *Securities Exchange and the Name Change* – On August 21, 2018, the Company entered into the Securities Exchange Agreement with Irri-Al-Tal and Irri-Al-Tal Shareholders, whereby holders of IAT Shares have agreed to exchange all issued and outstanding IAT Shares for Common Shares. Immediately prior to the completion of, and as a condition to, the Proposed Qualifying Transaction, the Company proposes to complete the Offering, which is being carried out in connection with the Proposed Qualifying Transaction, and concurrently with closing the Offering the Company will complete the Securities Exchange. It is intended that, immediately prior to the completion of the Securities Exchange, the Company will change its name to "Water Ways Technologies Inc." or another name that is acceptable to Irri-Al-Tal and to applicable regulatory authorities (the "**Name Change**"). The Name Change was approved by the Company Shareholders and remains subject to approval by the Exchange.

5) *Completion of the Proposed Qualifying Transaction* – Once the Offering, the Consolidation, the Securities Exchange and the Name Change have been completed, the Proposed Qualifying Transaction shall be deemed completed.

6) *Stock Success Fees Issuances* – Irri-Al-Tal has entered into agreements with two of its advisors, whereby such advisors are entitled to receive certain success fees in the form of IAT Shares in connection with Irri-Al-Tal completing a going public transaction, including the Proposed Qualifying Transaction. Issuance of IAT Shares relating to the Stock Success Fees is subject to Exchange approval. The Stock Success Fees are comprised of the following:

(a) *FMICA Agreement* – Pursuant to the terms and conditions of the FMICA Agreement between Irri-Al-Tal and FMICA, Irri-Al-Tal has agreed to issue to FMICA a number of IAT Shares equal to 5% of Irri-Al-Tal's issued outstanding IAT Shares immediately prior to the completion of the Proposed Qualifying Transaction, on a basic undiluted basis, less the IAT Shares that FMICA owns at the time of completing the Proposed Qualifying Transaction, which as of the date of this Prospectus is 1,653,571 IAT Shares; and

(b) *Bresler-Aloni Haft Agreement* – Pursuant to the terms and conditions of the Bresler-Aloni Haft Agreement between Irri-Al-Tal, Yaniv Bresler – an advisor to Irri-Al-Tal, and Aloni Haft – an entity which Mr. Ronnie Jaegermann, a director of Irri-Al-Tal is affiliated with. Irri-Al-Tal has agreed to issue to each of Yaniv Bresler and Aloni Haft a fee equal to 4% of the total Common Shares that the Resulting Issuer has outstanding immediately after completing the Proposed Qualifying Transaction on a fully-diluted basis, less the Common Shares owned at the time of completing the Proposed Qualifying Transaction, including securities issued in financings that are issued concurrently with the Proposed Qualifying Transaction. The Bresler-Aloni Haft Success Fee shall be issued in Common Shares, at a deemed price per Common Share at which the Company completes the Proposed Qualifying Transaction. The calculation of the fully-diluted outstanding Common Shares shall include all issued and outstanding securities in the capital of the Resulting Issuer after completing the Proposed Qualifying Transaction, including the convertible securities such as Unit Warrants, Broker Warrants, Consideration Comp Options, Consideration Finder's Warrants, but exclude the Common Shares that would be issued in the Securities Exchange in exchange for the IAT Shares issued as a part of Bresler-Aloni Haft Initial Fee and FMICA Initial Fee. If the number of Common Shares issuable pursuant to the Stock Success Fees is less than the number of Common Shares that is owned by each of Yaniv Bresler, Aloni Haft and Ronnie Jaegermann at the time that the Bresler-Aloni Haft Success Fee is payable, each of the consultants have agreed to cancel the difference and request that the Resulting Issuer cancels the number of Common Shares that is owned by them on pro-rata basis, such that the total number of Common Shares owned by the consultants post-Proposed Qualifying Transaction is equal to 4% of the fully-diluted total, using the formula described in this section. If such cancellation takes place, the number of Common Shares cancelled shall be split equally between Yaniv Bresler on one side, and Ronnie Jaegermann and Aloni Haft on the other side, and no further Common Shares would be issuable pursuant to the Bresler-Aloni-Haft Success Fee. As of the date hereof, each of Yaniv Bresler, Aloni Haft and Ronnie Jaegermann beneficially own 1,034,195, 517,097 and 517,098 IAT Shares, respectively, for a total of 2,068,390 IAT Shares. See "*Information Concerning the Company – Description of Securities – Proposed Securities Issuances.*"

THE SECURITIES EXCHANGE AND THE SECURITIES EXCHANGE AGREEMENT

On August 21, 2018, the Company entered into the Securities Exchange Agreement with Irri-Al-Tal and Irri-Al-Tal Shareholders, pursuant to which IAT Shares will be exchanged for Common Shares.

Pursuant to the Securities Exchange Agreement, the deemed value ascribed to the Company shall be \$700,000 based on the currently issued and outstanding Pre-Consolidation Shares), and the deemed value ascribed to Irri-Al-Tal shall be approximately \$19,000,000, plus the gross proceeds of the Concurrent Private Placement (if any), which would be approximately \$21,000,000 assuming that the Concurrent Private Placement is fully subscribed and assuming that no value is attributed to the convertible securities. Upon completion of the Securities Exchange, and subject to the seed share resale rules of the Exchange, it is expected that shareholders of both the Company and former shareholder of Irri-Al-Tal will hold freely tradable shares of the Resulting Issuer listed on the Exchange, with the exception of Insiders of the Company and Irri-Al-Tal who will be subject to escrow provisions under the policies of the Exchange. The Securities Exchange will effectively provide for the acquisition of all of the outstanding equity interests of Irri-Al-Tal by the Company in a transaction in which the security holders of Irri-Al-Tal will receive securities of the Resulting Issuer. As a result of the Securities Exchange, the Resulting Issuer will become the sole registered and beneficial owner of all of the outstanding securities of Irri-Al-Tal and Irri-Al-Tal will become a wholly-owned Subsidiary of the Company.

Securities Exchange Agreement

The Securities Exchange Agreement contains covenants, representations and warranties of and from each of the Company and Irri-Al-Tal and various conditions precedent, both mutual and with respect to each entity. In addition, pursuant to the Securities Exchange Agreement, Mr. Ohad Haber, Chief Executive Officer of Irri-Al-Tal and the proposed director and CEO of the Resulting Issuer has agreed to indemnify and hold the Company harmless from and against any and all losses (excluding indirect or consequential losses or loss of profits) arising out of or related to the failure of any of the representations or warranties of Irri-Al-Tal contained in this Securities Exchange Agreement to be true and correct in all respects on and as of the date of thereof and on and as of the QT Closing Date, for a period of 12 months following the QT Closing Date.

The following is a summary of certain provisions of the Securities Exchange Agreement. The Securities Exchange Agreement is filed on SEDAR and reference is made thereto for the full text thereof.

Representations, Warranties and Covenants

The Securities Exchange Agreement contains customary representations and warranties made by each of the Company and Irri-Al-Tal. Those representations and warranties were made solely for the purposes of the Securities Exchange Agreement and are subject to important qualifications and limitations agreed to by the parties in connection with negotiating its terms.

Moreover, some of the representations and warranties contained in the Securities Exchange Agreement are qualified by knowledge or by reference to a contractual standard of materiality (including a Material Adverse Effect, as such term is defined in the Securities Exchange Agreement) that may be different from that generally applicable to public disclosure to shareholders, or those standards used for the purpose of allocating risk between parties to an agreement.

The representations and warranties provided by each of the Company and Irri-Al-Tal relate to, among other things: their valid incorporation and existence authorized capital and outstanding securities, authority and capacity to enter into the Securities Exchange Agreement, no material defaults under any contracts, agreements or licenses, and an absence of certain material changes and litigation.

The IAT Shareholders provided certain representations and warranties regarding ownership of their IAT Shares and certain other matters consistent with agreements of this nature.

In addition, the Securities Exchange Agreement contains customary affirmative and negative covenants whereby, among other things, each of the Company and Irri-Al-Tal covenants to maintain their respective businesses and not take certain actions outside the ordinary course until the QT Closing Date or the termination of the Securities Exchange

Agreement, and to use commercially reasonable efforts to satisfy certain conditions precedent to their respective obligations under the Securities Exchange Agreement.

Conditions to the Proposed Qualifying Transaction Becoming Effective

The respective obligations of the Company and Irri-Al-Tal to complete the Proposed Qualifying Transaction are subject to the satisfaction or waiver, on or before the QT Closing Date (or such other time as is specified in the condition), of certain conditions, including, among others, the following:

- (a) Customary Reciprocal Conditions: The completion of the Proposed Qualifying Transaction is subject to certain reciprocal conditions given by each of the Company and Irri-Al-Tal in favour of the other. These conditions include:
 - (i) obtaining necessary regulatory and shareholder approvals;
 - (ii) corporate approvals;
 - (iii) delivery of certain certificates by officers;
 - (iv) representations and warranties remaining true;
 - (v) performance of covenants;
 - (vi) lack of legal proceedings;
 - (vii) lack of Material Adverse Effect;
 - (viii) delivery of legal opinions; and
 - (ix) delivery of other certificates and documents.
- (b) Other Conditions: The following additional conditions are in favour of the Company:
 - (i) The Company shall have been satisfied with its due diligence on Irri-Al-Tal;
 - (ii) The Company shall have completed the Minimum Offering;
 - (iii) The effective time shall be on or before such date as agreed to in writing by Irri-Al-Tal and the Company;
 - (iv) Irri-Al-Tal shall have no convertible securities other than the IAT Warrants, Initial Warrants, Initial Financing Finder's Warrants, Initial Financing Finder's Units and other convertible securities otherwise consented to by the Company, such as securities issued pursuant to the Concurrent Private Placement;
 - (v) The Company shall have acquired the entire interest in Irri-Al-Tal.
- (c) Conditions in Favour of Irri-Al-Tal: The following additional conditions are in favour of Irri-Al-Tal:
 - (i) Irri-Al-Tal shall have been satisfied with its due diligence on the Company;
 - (ii) The Company shall have completed the Minimum Offering;
 - (iii) The effective time shall be on or before such date as agreed to in writing by Irri-Al-Tal and the Company;
 - (iv) The Resulting Issuer shall have entered into employment agreements with management of the Resulting Issuer;
 - (v) The reconstitution of the Board and executive team of the Company as described in "Information Concerning the Resulting Issuer – Directors and Executive Officers of the Resulting Issuer" shall have been completed;
 - (vi) The Company shall have obtained shareholder approval for the Name Change, the Consolidation and the Stock Option Plan; and
 - (vii) The Company shall have not issued any securities except pursuant to the Securities Exchange and the Offering.

Shareholder Approval

The Proposed Qualifying Transaction does not constitute a Non-Arm's Length Qualifying Transaction (as defined by the CPC Policy) and does not require the approval of the Company Shareholders, except that the approval of

shareholders of the Company of the Name Change, and the Consolidation is a condition of closing in favour of Irri-Al-Tal. The Company held a Shareholders' meeting on August 15, 2018 where, among other things, the Company Shareholders have approved the Name Change, the Consolidation and the Stock Option Plan.

Regulatory Approval

The Securities Exchange Agreement provides that receipt of all regulatory, governmental and third-party approvals and consents is a condition precedent to the Securities Exchange becoming effective. The Proposed Qualifying Transaction is subject to the approval of the Exchange (which must also approve the change of the Company's name). Listing of the Common Shares to be issued in connection with the Proposed Qualifying Transaction is subject to the Company fulfilling all of the listing requirements of the Exchange. The Offering is also subject to the approval of certain provincial securities regulatory authorities.

The Company and Irri-Al-Tal will seek an exemption from the Exchange from its requirement to engage a sponsor in connection with the Proposed Qualifying Transaction.

Mutual Covenants Regarding Non-Solicitation

Each of the Parties to the Securities Exchange Agreement has agreed that, from the date of the acceptance of the Securities Exchange Agreement until completion of the Securities Exchange or the earlier termination of the Securities Exchange Agreement, the Company and Irri-Al-Tal will not, directly or indirectly, solicit, initiate, assist, facilitate, promote or encourage proposals or offers from, entertain or enter into discussions or negotiations with, or provide information relating to its securities or assets, business, operations, affairs or financial condition to any persons in connection with the acquisition or distribution of any securities of the Company and Irri-Al-Tal, or any amalgamation, merger, consolidation, arrangement, restructuring, refinancing, sale of any material assets of the Company or Irri-Al-Tal, unless such action, matter or transaction is part of the transactions contemplated in the Securities Exchange Agreement or is satisfactory to, and is approved in writing in advance by the Parties thereto or is necessary to carry on the normal course of business.

Termination

The Securities Exchange Agreement may be terminated at any time prior to the QT Closing Date (a) by mutual written consent of the Parties; (b) by either Irri-Al-Tal or the Company, if there has been a misrepresentation, breach or non-performance by the breaching party of any representation, warranty, covenant or obligation contained in the Securities Exchange Agreement, which could reasonably be expected to have a Material Adverse Effect on the terminating Party, provided the breaching Party has been given notice of and thirty (30) days to cure any such misrepresentation, breach or non-performance; (c) by either Irri-Al-Tal or the Company, if a condition for the terminating Party's benefit has not been satisfied or waived; or (d) by either Irri-Al-Tal or the Company, if the closing has not occurred on or before December 31, 2018, or such later date as may be agreed to by Irri-Al-Tal and the Company (provided, that the right to terminate the Securities Exchange Agreement is not available to any party whose failure to fulfill any of its obligations under the Securities Exchange Agreement has been the cause of or resulted in the failure to consummate the transactions contemplated thereby by such date).

In the event of the termination of the Securities Exchange Agreement in the circumstances set out above, the Securities Exchange Agreement will forthwith become void and no Party shall have any liability or further obligations to the other Parties to the Securities Exchange Agreement, except with respect to each Party's obligations of confidentiality in the Securities Exchange Agreement, which survive such termination.

Pro-Forma Capitalization

Pursuant to the Securities Exchange Agreement, the Company will issue to holders of IAT Shares an aggregate of 74,443,922¹⁸ Common Shares from treasury at a deemed price of \$0.25 per Common Share (being the price at which the Units are sold in the Offering), in case that no securities are issued under the Concurrent Private Placement. In the case where the Concurrent Private Placement is fully subscribed, the Company will issue to holders of IAT Shares, 82,443,922¹⁸ Common Shares, 9,000,000 Consideration Warrants and 1,496,000 Consideration Comp Options in

¹⁸ Including the Stock Success Fees

exchange for all of the IAT Shares issued and outstanding immediately prior to closing of the Proposed Qualifying Transaction.

The following table sets out the undiluted share capital of the Resulting Issuer after giving effect to the Securities Exchange and the Offering.

	Common Shares After Giving Effect to the Securities Exchange and Minimum Offering ⁽¹⁾	Common Shares After Giving Effect to the Securities Exchange and Maximum Offering ⁽¹⁾	Common Shares After Giving Effect to the Securities Exchange, Maximum Offering and Over-Allotment ⁽¹⁾
Assuming that the Concurrent Private Placement is fully subscribed	93,201,200	101,706,800	104,258,480
Assuming that no securities are issued pursuant to the Concurrent Private Placement	84,695,600	93,201,200	95,752,880

Note:

(1) Calculated on undiluted basis and assumes issuance of the Stock Success Fees.

The following table sets out the number of Common Shares and the percentage of the Common Shares held after giving effect to the Consolidation, Securities Exchange and the Offering on an undiluted basis assuming no Irri-Al-Tal shares are issued in the Concurrent Private Placement.

		Number of Securities and Percentage Held After Giving Effect to the Securities Exchange and Minimum Offering		Number of Securities and Percentage Held After Giving Effect to the Securities Exchange and Maximum Offering		Number of Securities and Percentage Held After Giving Effect to the Securities Exchange, Maximum Offering and Over-Allotment	
		Common Shares	% of undiluted total	Common Shares	% of undiluted total	Common Shares	% of undiluted total
Current Company Shareholders after giving effect to Consolidation	See Note 1	2,800,000	3.3%	2,800,000	3.0%	2,800,000	2.9%
	See Note 2	2,800,000	3.0%	2,800,000	2.8%	2,800,000	2.7%
Current Irri-Al-Tal Shareholders ⁽³⁾	See Note 1	74,443,922	87.9%	74,443,922	79.9%	74,443,922	77.7%
	See Note 2	82,443,922	88.5%	82,443,922	81.1%	82,443,922	79.1%
Stock Success Fees ⁽⁴⁾	See Note 1	(548,322)	-0.6%	(42,722)	0.0%	108,958	0.1%
	See Note 2	(42,722)	0.0%	462,878	0.5%	614,558	0.6%
Purchasers Under the Offering	See Note 1	8,000,000	9.4%	16,000,000	17.2%	18,400,000	19.2%
	See Note 2	8,000,000	8.6%	16,000,000	15.7%	18,400,000	17.6%
Total:	See Note 1	84,695,600	100.0%	93,201,200	100.0%	95,752,880	100.0%
	See Note 2	93,201,200	100.0%	101,706,800	100.0%	104,258,480	100.0%

Notes:

- (1) Assuming that no funds are raised under the Concurrent Private Placement.
- (2) Assuming that the Concurrent Private Placement is fully subscribed.
- (3) Including the securities issued in the Concurrent Private Placement (if any).
- (4) Pursuant to the terms of Bresler-Aloni Haft Agreement, if the total number of securities outstanding after the Proposed Qualifying Transaction is below certain thresholds, the parties to Bresler-Aloni Haft Agreement have agreed to return a certain number of Common Shares to Irri-Al-Tal for cancellation. See "Information Concerning the Proposed Qualifying Transaction" and "Information Concerning the Company – Description of Securities – Proposed Securities Issuances."

Accordingly, the Securities Exchange will constitute a reverse takeover of the Company, as defined in Exchange Policy 5.2 – *Changes of Business and Reverse Take-Overs*. Completion of the Securities Exchange and the Offering is conditional upon the approval of the Exchange, and other conditions which are typical for a business combination transaction of this type. See "Information Concerning the Resulting Issuer – Pro Forma Consolidated Capitalization of the Resulting Issuer".

THE OFFERING

Immediately prior to the completion of, and as a condition to, the Proposed Qualifying Transaction, the Company proposes to complete the Offering of Units, which is being carried out in connection with the Proposed Qualifying Transaction, and concurrently with closing the Offering the Company will complete the Securities Exchange. Closing of the Proposed Qualifying Transaction is conditional on closing the Minimum Offering.

Description of the Securities Being Distributed

This Prospectus qualifies the distribution of: (i) up to a maximum of 16,000,000 Common Shares which form part of the Units; (ii) up to a maximum of 8,000,000 Unit Warrants which form part of the Units; (iii) the grant of up to 1,280,000 of the Broker Warrants; (iv) up to an additional 2,400,000 Common Shares, 1,200,000 Unit Warrants which form part of the Units, and 192,000 Broker Warrants issuable on exercise, if any, by the Agent of the Over-Allotment Option, including the Common Shares underlying the Unit Warrants; and (v) Common Shares comprising the Stock Success Fees. See "*The Securities Exchange and The Securities Exchange Agreement – Pro-Forma Capitalization*".

Common Shares

The Resulting Issuer's authorized capital is made up of an unlimited number of Common Shares without par value. The holders of Common Shares are entitled to vote at all shareholder meetings. They are also entitled to dividends, if, as and when declared by the Board and upon liquidation or winding-up of the Resulting Issuer, to share the residual assets of the Resulting Issuer. The Common Shares do not have any pre-emptive, conversion or redemption rights, and all have equal voting rights. There are no special rights or restrictions of any nature attached to any of the Common Shares, all of which rank equally as to all benefits which might accrue to the holders of the Common Shares.

Unit Warrants

Each Unit issued in connection with the Offering, including those issued pursuant to the Over-Allotment Option, shall be comprised of one Common Share and one-half of one Unit Warrant. Each whole Unit Warrant will entitle the holder to purchase one additional Common Share at a price of \$0.40 per Common Share for a period of 24 months from the Offering Closing Date, subject to the Acceleration Clause, whereby if following the Offering Closing Date, the closing price of the Common Shares on the Exchange is equal to or greater than \$0.42 for any 20 consecutive trading days, the Company may, upon providing written notice to the holders of the Unit Warrants, accelerate the Expiry Date of the Unit Warrants to the date that is 30 days following the date of such written notice. The Common Shares issued upon exercise of the Unit Warrants, will be fully paid and non-assessable.

Unit Warrants issued in the name of CDS, or its nominee, will be evidenced by a book-entry position on the register of warrant holders to be maintained by the Warrant Agent at its principal offices located in Toronto, Ontario. The Unit Warrants will be created and issued pursuant to, and will be governed by, the terms of the Warrant Indenture between the Company and the Warrant Agent, a copy of which will be filed by the Resulting Issuer on SEDAR at www.sedar.com and will be available following the Offering Closing Date. The Resulting Issuer will appoint the principal transfer offices of the Warrant Agent in Toronto, Ontario as the location at which Unit Warrants may be surrendered for exercise or transfer.

The following is a summary only of certain provisions of the Warrant Indenture and does not purport to be complete and is qualified in its entirety by reference to the provisions of the Warrant Indenture. Reference is made to the Warrant Indenture for the full text of the attributes of the Unit Warrants.

The Warrant Indenture will provide for adjustments in the exercise price and number of Common Shares issuable upon the exercise of the Unit Warrants upon the occurrence of certain events, including: the issuance of Common Shares or securities exchangeable for, or convertible into, Common Shares to all or substantially all of the holders of Common Shares by way of distribution (other than a distribution of Common Shares upon the exercise of Unit Warrants); the subdivision, redivision or change of the outstanding Common Shares into a greater number of Common Shares; the reduction, combination or consolidation of the Common Shares into a smaller number of Common Shares; the fixing of a record date for a rights offering; and the fixing of a record date for the making of a distribution by the

Company to all or substantially all of the holders of outstanding Common Shares of securities, securities convertible into or exchangeable for Common Shares (other than pursuant to a rights offering), evidence of its indebtedness or any property or other assets.

The Warrant Indenture will also provide that, in certain cases of reclassification of Common Shares or capital reorganization of the Company, as well as in the case of a consolidation, amalgamation, arrangement or merger of the Company with or into any other body corporate, trust, partnership or other entity, or a sale or conveyance of the property and assets of the Company as an entirety or substantially as an entirety to any other body corporate, trust, partnership or other entity (any of the foregoing referred to as a "**Reorganization**"), any registered holder of Unit Warrants who has not exercised his Unit Warrants prior to the effective date of such Reorganization, upon the exercise of his Unit Warrants thereafter, shall receive, in lieu of the number of Common Shares that prior to such effective date such holder would have been entitled to receive, the number of shares or other securities or property of the Company or of the body corporate, trust, partnership or other entity resulting from or party to such Reorganization that such holder would have been entitled to receive on such Reorganization, if on the effective date thereof, as the case may be, such holder had been the registered holder of the number of Common Shares to which prior to such effective date it was entitled to acquire upon the exercise of the Unit Warrants.

No adjustment in the exercise price of Unit Warrants will be required unless such adjustment would require an increase or decrease of at least one percent (1%) in the exercise price then in effect; provided however, that any adjustments which by reason of this provision are not required to be made shall be carried forward and taken into account in any subsequent adjustment.

The Resulting Issuer will covenant in the Warrant Indenture that, so long as any Unit Warrants remain outstanding, it will give notice to the Warrant Agent and to the registered holders of Unit Warrants of its intention to fix a record date that is prior to the Expiry Date of the Unit Warrants for any matter which an adjustment may be required as described above. The notice shall be given in each case not less than fourteen (14) days prior to such applicable record date.

No fractional Unit Warrants shall be issued or otherwise provided for by the Warrant Indenture, and Unit Warrants may only be exercised in a sufficient number to acquire whole numbers of Common Shares. Except as specifically provided in the Warrant Indenture, the holding of a Unit Warrant certificate, entitlement to a Unit Warrant or otherwise, does not confer upon a holder of Unit Warrants any right or interest whatsoever as a Company Shareholder, including, but not limited to, the right to vote at, to receive notice of, or to attend, meetings of shareholders or any other proceedings of the Company, or the right to dividends and other allocations.

From time-to-time, the Company and the Warrant Agent may execute and deliver indentures or instruments supplemental to the Warrant Indenture for certain purposes, including the correction or rectification of any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions therein, or modifying any provisions of the Warrant Indenture, provided that in the opinion of the Warrant Agent, relying on the advice of counsel, the rights of the Warrant Agent or of the registered holders of Unit Warrants are in no way prejudiced thereby. The holders of Unit Warrants have the power exercisable from time to time by Extraordinary Resolution (as defined below) to agree to, among other things, any modification, abrogation, alteration, compromise or arrangement of the rights of registered holders of Unit Warrants or the Warrant Agent in its capacity as warrant agent under the terms of the Warrant Indenture (subject to the Warrant Agent's prior consent, acting reasonably) or on behalf of the registered holders of Unit Warrants against the Company whether such rights arise under the Warrant Indenture or otherwise. An "Extraordinary Resolution" is a resolution which is either (i) proposed at a meeting of the registered holders of Unit Warrants at which there are registered holders of Unit Warrants present in person or represented by proxy holding at least twenty five (25%) of the aggregate number of Common Shares that could be acquired pursuant to all the then outstanding Unit Warrants and passed by the affirmative vote of registered holders of Unit Warrants holding not less than 66 2/3% of the aggregate number of Common Shares that could be acquired at the meeting and voted on the poll upon such resolutions; or (ii) signed in writing by registered holders of Unit Warrants holding at least 66 2/3% of the aggregate number of Common Shares that could be acquired pursuant to all the then outstanding Unit Warrants.

Broker Warrants

On the Offering Closing Date, the Agent will receive a number of non-transferable Broker Warrants equal to 8.0% of the Units issued pursuant to the Offering, including the exercise of the Over-Allotment Option (if applicable) with

each Broker Warrant being exercisable at any time up to 24 months from the Offering Closing Date, to acquire Agent's Shares at an exercise price equal to the Offering Price of the Units, namely \$0.25 per Agent's Share.

Plan of Distribution

In Canada, the Units will be offered to the public on a commercially reasonable efforts agency basis in the Provinces of Ontario, Alberta and British Columbia.

Pursuant to the terms and conditions of the Agency Agreement among the Company, Irri-Al-Tal and the Agent, the Company has appointed the Agent to offer for sale on a commercially reasonable agency basis, subject to compliance with all legal requirements and the terms and conditions contained in the Agency Agreement, a minimum of 8,000,000 Units and a maximum of 16,000,000 Units at a price of \$0.25 per Unit, payable in cash against delivery of the Units, for total gross proceeds of a minimum of \$2,000,000 and a maximum of up to \$4,000,000. The Units are being offered to the public in the Provinces of Ontario, Alberta, and British Columbia.

The exercise price of the Unit Warrants has been determined by negotiation between the Agent and the Company. No fractional Common Shares will be issued upon the exercise of the Unit Warrants.

This Prospectus qualifies the distribution of: (i) up to a maximum of 16,000,000 Common Shares which form part of the Units; (ii) up to a maximum of 8,000,000 Unit Warrants which form part of the Units; (iii) the grant of up to 1,280,000 the Broker Warrants; (iv) up to an additional 2,400,000 Common Shares, 1,200,000 Unit Warrants which form part of the additional Units and 192,000 Broker Warrants issuable on exercise, if any, by the Agent of the Over-Allotment Option, including the Common Shares underlying the Unit Warrants; and (v) the Common Shares comprising the Stock Success Fees. The Offering Price has been determined by negotiation between the Company and the Agent. The Agent may form a sub-agency group including other qualified investment dealers and determine the fees payable to members of such group, which fees will be paid by the Agent out of its own fees. While the Agent has agreed to use its commercially reasonable efforts to sell the Units offered hereunder, the Agent will not be obligated to purchase any Units that are not sold.

The Offering is conditional upon the Proposed Qualifying Transaction being completed by December 31, 2018 or such other date agreed to by the Company, Irri-Al-Tal and the Agent.

Subscriptions for Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Funds received from subscriptions will be held by the Agent in trust and, if the Minimum Offering is not completed by December 31, 2018, or such other date agreed to by the Company, Irri-Al-Tal and the Agent, provided that such date is during the Offering period, the Offering will be discontinued and the Agent will return all amounts received without interest or deduction. It is expected that the Offering will close on or about December 31, 2018, or such earlier or later date as the Company and the Agent may agree. **If less than the Maximum Offering is subscribed for on the Offering Closing Date, subsequent closings may be held at any time, and from time-to-time, as the Company, Irri-Al-Tal and the Agent may agree, provided that such subsequent closings occur within 30 days of the initial closing of the Offering.**

Pursuant to the Agency Agreement, the Company has granted the Agent the Over-Allotment Option, exercisable in whole or in part at any time and from time-to-time until 30 days after the Offering Closing Date. The terms of the Offering, including the Offering Price, were determined by negotiation among the Company and the Agent in the context of prevailing market conditions. Pursuant to the Agency Agreement, the Agent has reserved the right to form a selling group of appropriately registered dealers and brokers with compensation to be negotiated between the Agent and such selling group participants, but at no additional cost to the Company.

The Agency Agreement provides for (i) payment by the Company of the Agent's Commission, which is equal to 8% of the gross proceeds raised in the Offering and (ii) the granting of the non-transferable Broker Warrants.

While the Agent has agreed to use its commercially reasonable efforts to sell the Common Shares the Agent is not obliged to purchase any Units that are not sold. The obligations of the Agent under the Agency Agreement may be terminated at its discretion on the basis of its assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events.

The Company has appointed the Agent to be the lead Agent and sole bookrunner for the Offering. In addition, the Agent may offer a portion of the Offering to the selling group members.

The Company has applied to list the following securities on the Exchange: (i) the Common Shares which form part of the Units; (ii) the Warrant Shares issuable upon exercise of the Unit Warrants which form part of the Units; (iii) the Common Shares issuable upon exercise of the Broker Warrants; (iii) the Common Shares issuable upon exercise of the Consideration Warrants; (iv) the Common Shares issuable upon exercise of the Consideration Comp Options; (v) the Common Shares issuable as a part of the Stock Success Fees; and (vii) the Common Shares issuable to Irri-Al-Tal Shareholders under the Securities Exchange Agreement. Listing of such securities will be subject to the Company fulfilling all of the listing requirements of the Exchange.

In connection with the Offering, subject to applicable laws, the Agent may over-allot or effect transactions that stabilize or maintain the market price of the Common Shares at levels other than those which otherwise might prevail on the open market, including stabilizing transactions, short sales, purchases to cover positions created by short sales, imposition of penalty bids and syndicate covering transactions. Such transactions, if commenced, may be discontinued at any time.

It is expected that the Company will arrange for an instant deposit of the Common Shares and the Unit Warrants comprising the Units to or for the account of the Agent with CDS on the Offering Closing Date, against payment of the aggregate purchase price for the Units. A purchaser of Units will receive only a customer confirmation from the registered dealer through which the Units are purchased.

Subject to receipt of all necessary securities and Exchange approvals, it is expected that the Offering Closing Date and QT Closing Date will take place on or about December 31, 2018, or on such other date as the Company and the Agent shall agree, but in any event not earlier than the granting by the Exchange of conditional approval of the Proposed Qualifying Transaction and the Offering.

Pursuant to policies of certain Canadian securities regulatory authorities, the Agent may not, throughout the period of distribution under the (final) prospectus in respect of the Offering, bid for or purchase any Units for their own account or for accounts over which they exercise control or discretion. The foregoing restriction is subject to certain exceptions, on the condition that the bid or purchase is not engaged in, for the purpose of creating actual or apparent active trading in or raising the price of the Units. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules administered by the IIROC relating to market stabilization and passive market-making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. The Company has not made nor will it make any payments in cash, securities or other consideration to a promoter, finder or any other Person in connection with the Offering other than as set out above and elsewhere in this Prospectus.

The Company has agreed to indemnify the Agent, and certain related parties, insofar as any losses, claims, damages, liabilities, costs and expenses that arise out of, or are based, directly or indirectly on, the transactions contemplated in the Agency Agreement.

The Units, the underlying Common Shares and Unit Warrants comprising the Units, and the Warrant Shares issuable upon exercise of the Unit Warrants, have not been and will not be registered under the U.S. Securities Act or any state securities laws and, may not be offered in the United States except in accordance with an available exemption from the registration requirements of the U.S. Securities Act. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any of the Units in the United States. The Agent has agreed that it will not offer or sell within the United States or to, or for the account or benefit of, U.S. Persons (as such term is defined in Rule 902(k) of Regulation S of the U.S. Securities Act), the Units as part of its distribution. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Units within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of U.S. Securities Act if such offer or sale is made otherwise than in reliance on an available exemption under the U.S. Securities Act.

Connection to Canada

Irri-Al-Tal's chief reason for seeking a public listing in general was to provide sufficient access to equity capital to allow Irri-Al-Tal to grow its global footprint servicing small and medium sized agricultural operators. Irri-Al-Tal has considered various sources of private equity capital, but the terms were not attractive to Irri-Al-Tal or its shareholders. There are very few capital pools that would invest in private Israeli companies and the new private equity investors would have likely required onerous control and/or cashflow rights that would restrain Irri-Al-Tal's growth prospects, compared to equity capital sourced from public markets. In addition, management of Irri-Al-Tal believes that, by becoming a public company, new sources of capital may become available, such as conventional debt financing, which could be helpful in lowering the Resulting Issuer's cost of capital, which is especially important to advancing the business of Irri-Al-Tal's Project Financing Sub-Unit. Accordingly, management believes that seeking a public listing would be in the best interests of Irri-Al-Tal and its shareholders.

In deciding on the jurisdiction in which to complete a public listing, Irri-Al-Tal considered a number of factors, including: i) the integrity of the capital markets in which the public listing is sought and the effectiveness of regulatory oversight, which will promote investor confidence; ii) investor appeal for both Irri-Al-Tal's growth potential and positive cash flow track record; iii) investor appeal for Israel-based companies; iv) access to an investor base that understands the agricultural industry and agricultural technologies; v) access to an investor base that understands the growth opportunities for businesses that synergize with emerging legal cannabis markets; vi) a jurisdiction in which a potential market may exist for Irri-Al-Tal's products and services, and where it may eventually establish operations; and vii) a jurisdiction with a robust small-cap public venture capital environment, with an experienced investor base, service providers and, through the capital pool program, regulatory regime established to support such issuers.

While Irri-Al-Tal's business reach extends to multiple countries, the country that it is most significantly tied to is the State of Israel, as its mind and management currently resides in Israel. However, in the opinion of Irri-Al-Tal's management, the Israeli public markets are simply not attractive for domestic small-cap issuers in the irrigation space as the environment for public venture capital is limited in Israeli public markets. Irri-Al-Tal's management and their advisors considered other markets (including United States, United Kingdom and Australia), but it was considered that Canada was the market which best met the seven considerations listed above. Irri-Al-Tal's decision to list in Canada was also significantly influenced by the existence of the capital pool program, which management of Irri-Al-Tal considered to be an attractive method of becoming a public company, as well as the Exchange's ongoing business development efforts in the region, in particular, the introduction of a representative of the Exchange in Tel-Aviv and the annual Toronto Stock Exchange and TSX Venture Exchange economic mission to Israel.

Irri-Al-Tal's interest in the Canadian capital markets was bolstered by the efforts of Foundation Markets Inc., Irri-Al-Tal's exempt market dealer, which has connected Irri-Al-Tal to significant Canadian investors, including institutional investors and high net worth individuals.

All of these factors together resulted in management of Irri-Al-Tal concluding that seeking a public listing through the Canadian capital markets would provide the greatest benefit and growth prospects for Irri-Al-Tal and its shareholders.

Certain Canadian Federal Income Tax Considerations

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to a purchaser who acquires Units pursuant to this Offering. For the purposes of this summary, references to Common Shares include Common Shares and Warrant Shares unless otherwise indicated. This summary applies only to a purchaser who is a beneficial owner of Common Shares and Unit Warrants acquired pursuant to this Offering and who, for the purposes of the Tax Act, and at all relevant times: (i) deals at arm's length and not an Affiliate of the Company or the Agent; and (ii) holds the Common Shares and Unit Warrants as capital property (a "Holder").

Common Shares and Unit Warrants will generally be considered to be capital property to a Holder unless they are held in the course of carrying on a business of trading or dealing in securities or were acquired in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is not applicable to a Holder: (i) that is a "financial institution" (as defined in the Tax Act for the purposes of the mark-to-market rules), (ii) has an interest in which would be a "tax shelter investment" (as defined in the Tax Act), (iii) that is a "specified financial institution" (as defined in the Tax Act), (iv) that has elected to report its "Canadian tax results" (as defined in the Tax Act) in a currency other than Canadian currency, (v) that has entered or will enter into a "derivative forward agreement" or "synthetic disposition arrangement" (as defined in the Tax Act) with respect to the Common Shares or Unit Warrants, or (vi) that is a corporation resident in Canada and is (or does not deal at arm's length within the meaning of the Tax Act with a corporation resident in Canada that is), or becomes as part of a transaction or event or series of transactions or events that includes the acquisition of Common Shares and Unit Warrants comprising the Units, controlled by a non-resident corporation for purposes of section 212.3 of the Tax Act. **Any such Holder should consult its own tax advisor with respect to an investment in the Units.** In addition, this summary does not address the deductibility of interest by a Holder who has borrowed money or otherwise incurred debt in connection with the acquisition of Units.

This summary is based upon: (i) the current provisions of the Tax Act and the regulations thereunder ("**Regulations**") in force as of the date hereof; (ii) except as described below, all specific proposals ("**Proposed Amendments**") to amend the Tax Act or the Regulations that have been publicly announced by, or on behalf of, the Minister of Finance (Canada) prior to the date hereof; and (iii) counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency ("**CRA**"). No assurance can be given that the Proposed Amendments will be enacted or otherwise implemented in their current form, if at all. If the Proposed Amendments are not enacted or otherwise implemented as presently proposed, the tax consequences may not be as described below in all cases. Other than the Proposed Amendments, this summary does not take into account or anticipate any changes in law, administrative policy or assessing practice, whether by legislative, regulatory, administrative, governmental or judicial decision or action, nor does it take into account the tax laws of any province or territory of Canada or of any jurisdiction outside of Canada.

This summary is of a general nature only, is not exhaustive of all possible Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. Accordingly, Holders should consult their own tax advisors with respect to their particular circumstances.

Allocation of Cost

Holders will be required to allocate on a reasonable basis their cost of each Unit between the Common Share and the Unit Warrant in order to determine their respective costs for purposes of the Tax Act.

For its purposes, the Company intends to allocate \$0.2449 to each Common Share and \$0.0001 to each Unit Warrant. Although the Company believes that its allocation is reasonable, it is not binding on the CRA or the Holder.

The adjusted cost base to a Holder of each Common Share comprising a part of a Unit acquired pursuant to this Offering will be determined by averaging the cost of such Common Share with the adjusted cost base to such Holder of all other Common Shares (if any) held by the Holder as capital property immediately prior to the acquisition.

Exercise of Unit Warrants

No gain or loss will be realized by a Holder upon the exercise of a Unit Warrant to acquire a Warrant Share. When a Unit Warrant is exercised, the Holder's cost of the Warrant Share acquired thereby will be the aggregate of the Holder's adjusted cost base of such Unit Warrant and the exercise price paid for the Warrant Share. The Holder's adjusted cost base of the Warrant Share so acquired will be determined by averaging such cost with the adjusted cost base (determined immediately before the acquisition of the Warrant Share) to the Holder of all Common Shares owned by the Holder as capital property immediately prior to such acquisition.

Holders Resident in Canada

This section of the summary applies to a Holder who, at all relevant times, is, or is deemed to be, resident in Canada for the purposes of the Tax Act ("**Resident Holder**"). A Resident Holder whose Common Shares might not otherwise

qualify as capital property may be entitled to make the irrevocable election provided by subsection 39(4) of the Tax Act to have the Common Shares and every other "Canadian security" (as defined in the Tax Act) owned by such Resident Holder in the taxation year of the election and in all subsequent taxation years deemed to be capital property. Such election is not available in respect of Unit Warrants. Resident Holders should consult their own tax advisors for advice as to whether an election under subsection 39(4) of the Tax Act is available and/or advisable in their particular circumstances.

Expiry of Unit Warrants

In the event of the expiry of an unexercised Unit Warrants, a Resident Holder generally will realize a capital loss equal to the Resident Holder's adjusted cost base of such Unit Warrant. The tax treatment of capital gains and capital losses is discussed in greater detail below under "*Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*".

Dividends

A Resident Holder will be required to include in computing its income for a taxation year any taxable dividends received or deemed to be received on the Common Shares.

Such dividends received by a Resident Holder that is an individual (other than certain trusts) will be subject to the gross-up and dividend tax credit rules in the Tax Act normally applicable to dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit in respect of dividends designated by the Company as "eligible dividends". There may be limitations on the ability of the Company to designate dividends as eligible dividends.

In the case of a Resident Holder that is a corporation, the amount of any such taxable dividend that is included in its income for a taxation year will generally be deductible in computing its taxable income for that taxation year. In certain circumstances a dividend or deemed dividend received by a Resident Holder that is a corporation may be treated as a capital gain or proceeds of disposition. Resident Holders should discuss with their own tax advisors in this regard.

A Resident Holder that is a "private corporation" or a "subject corporation", as defined in the Tax Act, will generally be liable to pay a refundable tax under Part IV of the Tax Act on dividends received on the Common Shares to the extent such dividends are deductible in computing the Resident Holder's taxable income for the year. A "subject corporation" is generally a corporation (other than a private corporation) controlled directly or indirectly by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts). In addition, pursuant to changes to the Tax Act that were introduced in the 2018 federal budget that was released on February 27, 2018 (the "**2018 Budget**"), such a Resident Holder may be required to reduce its business limit on a straight-line basis to the extent that it, together with other corporations associated with it, receive certain investment income in an amount exceeding \$50,000 for a particular taxation year. Such Resident Holders should consult their own tax advisors regarding the 2018 Budget.

Dispositions of Common Shares and Unit Warrants

A disposition or a deemed disposition of a Common Share (other than a disposition to the Company) or Unit Warrant (other than a disposition arising on the exercise or expiry of a Unit Warrant) by a Resident Holder will generally result in the Resident Holder realizing a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of the Common Share or Unit Warrant, as the case may be, exceed (or are less than) the aggregate of the adjusted cost base to the Resident Holder thereof and any reasonable costs of disposition. Such capital gain (or capital loss) will be subject to the tax treatment described below under "*Holders Resident in Canada - Taxation of Capital Gains and Capital Losses*".

Taxation of Capital Gains and Capital Losses

A Resident Holder will generally be required to include in computing its income for the taxation year of disposition, one-half of the amount of any capital gain (a "**taxable capital gain**") realized in such year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder will be required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") against taxable capital gains realized in the taxation year of disposition. Allowable

capital losses in excess of taxable capital gains for the taxation year of disposition may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances specified in the Tax Act.

The amount of any capital loss realized on the disposition or deemed disposition of a Common Share by a Resident Holder that is a corporation may, in certain circumstances, be reduced by the amount of dividends received or deemed to have been received by it on such Common Shares to the extent and under the circumstances specified in the Tax Act. Similar rules may apply where a Resident Holder that is a corporation is a member of a partnership or a beneficiary of a trust that owns Common Shares or where a partnership or trust, of which a corporation is a member or a beneficiary, is a member of a partnership or a beneficiary of a trust that owns Common Shares. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

Other Income Taxes

A Resident Holder that is throughout the relevant taxation year a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay a refundable tax on its "aggregate investment income" (as defined in the Tax Act) for the year, including taxable capital gains. In addition, pursuant to changes to the Tax Act that were introduced in the 2018 Budget, such a Resident Holder may be required to reduce its business limit on a straight-line basis to the extent that it, together with other corporations associated with it, receive certain investment income in an amount exceeding \$50,000 for a particular taxation year. Resident Holders that are Canadian-controlled private corporations should consult their own tax advisors in this regard.

In general terms, a Resident Holder that is an individual (other than certain trusts) that receives or is deemed to have received taxable dividends on the Common Shares or realizes a capital gain on the disposition or deemed disposition of Common Shares or Unit Warrants may be liable for alternative minimum tax under the Tax Act. Resident Holders that are individuals should consult their own tax advisors in this regard.

INFORMATION CONCERNING THE RESULTING ISSUER

Information contained in this part assumes completion of the Consolidation, the Offering, the Securities Exchange and the acceptance by the Exchange of the Proposed Qualifying Transaction.

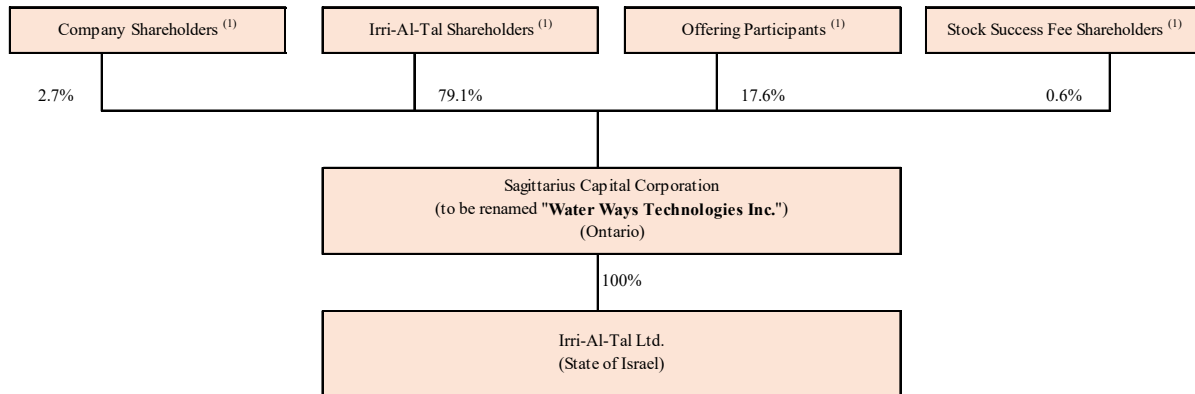
Corporate Structure of the Resulting Issuer

Name and Incorporation

The Resulting Issuer is expected to be named "Water Ways Technologies Inc." or another name that is acceptable to Irri-Al-Tal and to applicable regulatory authorities. It shall remain incorporated pursuant to the OBCA and will have its registered office at 77 King Street West, Suite 3000, Toronto, Ontario, M5K 1G8. The minute books, corporate records and other constating documents of Irri-Al-Tal are kept at Irri-Al-Tal's corporate headquarters at POB 7, Kibbutz Ramat-David 3658700, Israel, in accordance with Israeli company law requirements.

Intercompany Relationships

The following chart displays the intercompany relationships between the Resulting Issuer and its material Subsidiaries following completion of the Proposed Qualifying Transaction.



Note:

(1) On a basic undiluted basis, assuming that the Maximum Offering is achieved, the Over-Allotment Option is exercised in full and the Concurrent Private Placement is fully subscribed.

		Number of Securities and Percentage Held After Giving Effect to the Securities Exchange and Minimum Offering		Number of Securities and Percentage Held After Giving Effect to the Securities Exchange and Maximum Offering		Number of Securities and Percentage Held After Giving Effect to the Securities Exchange, Maximum Offering and Over-Allotment	
		Common Shares	% of undiluted total	Common Shares	% of undiluted total	Common Shares	% of undiluted total
Current Company Shareholders after giving effect to Consolidation	See Note 1	2,800,000	3.3%	2,800,000	3.0%	2,800,000	2.9%
	See Note 2	2,800,000	3.0%	2,800,000	2.8%	2,800,000	2.7%
Current Irri-Al-Tal Shareholder ⁽³⁾	See Note 1	74,443,922	87.9%	74,443,922	79.9%	74,443,922	77.7%
	See Note 2	82,443,922	88.5%	82,443,922	81.1%	82,443,922	79.1%
Stock Success Fees ⁽⁴⁾	See Note 1	(548,322)	-0.6%	(42,722)	0.0%	108,958	0.1%
	See Note 2	(42,722)	0.0%	462,878	0.5%	614,558	0.6%
Purchasers Under the Offering	See Note 1	8,000,000	9.4%	16,000,000	17.2%	18,400,000	19.2%
	See Note 2	8,000,000	8.6%	16,000,000	15.7%	18,400,000	17.6%
Total:	See Note 1	84,695,600	100.0%	93,201,200	100.0%	95,752,880	100.0%
	See Note 2	93,201,200	100.0%	101,706,800	100.0%	104,258,480	100.0%

Notes:

- (1) Assuming that no funds raised under the Concurrent Private Placement.
- (2) Assuming that the Concurrent Private Placement is fully subscribed.
- (3) Including the securities issued in the Concurrent Private Placement (if any).
- (4) Pursuant to the terms of Bresler-Aloni Haft Agreement, if the total number of securities outstanding after the Proposed Qualifying Transaction is below certain thresholds, the parties to Bresler-Aloni Haft Agreement have agreed to return a certain number of Common Shares to Irri-Al-Tal for cancellation. See *"Information Concerning the Proposed Qualifying Transaction"*.

General Description of the Business of the Resulting Issuer

Following completion of the Proposed Qualifying Transaction, the Resulting Issuer will carry on the business currently carried on by Irri-Al-Tal. Please see *"Information Concerning Irri-Al-Tal – General Description of Business"*.

In addition, the following are the primary near-term business objectives and milestones of the Resulting Issuer.

- Complete graphic user interface design and software development of Precise Irrigation System – Q4 2018;
- Establish up to four marketing offices in new markets (targeting Mexico, Portugal, Eastern Europe and China) – Q3 2018 to Q1 2019;
- Secure an additional project in the cannabis space in 2018; and
- Finance up to three turnkey smart irrigation projects in Latin America – Q3 to Q4 2018.

After completing the Qualifying Transaction, Irri-Al-Tal's management intends to pursue a corporate growth strategy focusing on the following pillars:

- *Organic growth* – continue to cultivate business relationships within the small and medium agricultural operators sector and continue to fund projects from internally generated cashflow. With additional cash infusion Irri-Al-Tal expects to be able to fulfill additional demand for its project services.
- *Geographical expansion in new categories* – the Resulting Issuer intends to open additional sales offices in new markets in order to establish business relationships in new markets. These markets include Mexico, China and the Balkan region, where the Resulting Issuer's management sees an opportunity within the segment that it has strength in. This also includes potential expansion in the legal cannabis sector.
- *Capitalize on growth in precision irrigation market* – with additional capital, the Resulting Issuer intends to complete the development of its Precise Irrigation System and include as a part of its existing service offering. In addition, The Resulting Issuer will consider potential acquisitions of technologies in the precision agriculture sector that are synergistic to the Resulting Issuer's existing product and service offerings. See *"Information Concerning Irri-Al-Tal – General Description of the Business of Irri-Al-Tal – Proprietary Technology Licensing Business Plan"*.
- *Capitalize on potential opportunities in its Project Financing Sub-Unit* – The Resulting Issuer intends to take advantage of the business opportunities it has to finance a portion of the equipment that is being provided to its customers in the Projects Business Unit. See *"Information Concerning Irri-Al-Tal – General Description of the Business of Irri-Al-Tal – Products and Services"* and *"Information Concerning Irri-Al-Tal – General Description of the Business of Irri-Al-Tal – Supplier Financing."*

Available Funds and Use of Proceeds

Upon completion of the Offering, assuming that no funds are raised under the Concurrent Private Placement and assuming that the net proceeds under the Offering are equal to \$1,840,000 in the case of the Minimum Offering and \$3,680,000 in the case of the Maximum Offering (\$4,232,000 assuming completion of the Maximum Offering and the Over-Allotment Option), and after giving effect to the Securities Exchange (including the expenses associated therewith), the Resulting Issuer is expected to have total funds available to it as outlined in the table below, assuming that no funds are raised pursuant to the Concurrent Private Placement:

Sources	Minimum Offering	Maximum Offering	Maximum Offering including over full exercise of the Over-Allotment Option
Estimated Net Proceeds from Offering ⁽¹⁾	\$1,840,000	\$3,680,000	\$4,232,000
Estimate of Consolidated Pro Forma Working Capital of Resulting Issuer as at October 31, 2018 ⁽²⁾	\$2,565,508	\$2,565,508	\$2,565,508
Total	\$4,405,508	\$6,245,508	\$6,797,508

(1) Gross proceeds of the Offering net of the Agent's Commission.

(2) Based on unaudited internal estimate prepared by the management and converted into CAD at the prevailing USD:CAD exchange rate of 1.3142 on October 31, 2018 and excluding the funds raised under the Concurrent Private Placement (if any) and including estimated expenses relating to the Offering of \$250,000.

Assuming that the Concurrent Private Placement is fully subscribed, the Resulting Issuer is expected to have total funds available to it of:

Sources	Minimum Offering	Maximum Offering	Maximum Offering including over full exercise of the Over-Allotment Option
Estimated Net Proceeds from Offering ⁽¹⁾	\$1,840,000	\$3,680,000	\$4,232,000
Estimated Net Proceeds from the Concurrent Private Placement ⁽²⁾	\$1,840,000	\$1,840,000	\$1,840,000
Estimate of Consolidated Pro Forma Working Capital of Resulting Issuer as at October 31, 2018	\$2,565,508	\$2,565,508	\$2,565,508
Total	\$6,245,508	\$8,085,508	\$8,637,508

(1) Gross proceeds of the Offering net of the Agent's Commission.

(2) Based on unaudited internal estimate prepared by the management and converted into CAD at the prevailing USD:CAD exchange rate of 1.3142 on October 31, 2018 and excluding the funds raised under the Concurrent Private Placement (if any) and including estimated expenses relating to the Offering of \$250,000.

In the six months ended June 30, 2018 Irri-Al-Tal had cash flow from operating activities of USD \$933,000, (approximately USD \$224,000 for the year ended December 31, 2017), and based on completion of the Minimum Offering, the Resulting Issuer's working capital available for funding ongoing operations is expected to meet its expenses for a minimum period of approximately 12 months commencing immediately after the completion of the Proposed Qualifying Transaction.

The Resulting Issuer intends to use the net proceeds from the Offering together with its existing cash as follows, assuming that no funds are raised pursuant to the Concurrent Private Placement:

Uses	Amount of Funds after Share Exchange and Offering		
	Minimum Offering	Maximum Offering	Maximum Offering and Over-Allotment
Open Marketing Offices - establish up to 3 new marketing offices			
Mexico	\$500,000	\$500,000	\$500,000
Balkans	\$450,000	\$450,000	\$450,000
China	\$750,000	\$750,000	\$750,000
Project Finance Initiatives - finance up to 3 turn-key Smart Irrigation projects			
Colombia - Open Field Avocado	\$850,000	\$850,000	\$850,000
Argentina - Open Field Wine Grapes	\$350,000	\$350,000	\$350,000
Colombia - Open Blueberries		\$850,000	\$850,000

Uses	Amount of Funds after Share Exchange and Offering		
	Minimum Offering	Maximum Offering	Maximum Offering and Over-Allotment
Precise Irrigation Technology - Finalize R&D efforts and commercialize.	\$350,000	\$600,000	\$600,000
General Working Capital	\$500,000	\$500,000	\$500,000
Unallocated Working Capital	\$655,508	\$1,395,508	\$1,947,508
Total	\$4,405,508	\$6,245,508	\$6,797,508

The Resulting Issuer intends to use the net proceeds from the Offering together with its existing cash as follows, assuming that the Concurrent Private Placement is fully subscribed:

Uses	Amount of Funds after Share Exchange and Offering		
	Minimum Offering	Maximum Offering	Maximum Offering and Over-Allotment
Open Marketing Offices - establish up to 3 new marketing offices			
Mexico	\$500,000	\$500,000	\$500,000
Balkans	\$450,000	\$450,000	\$450,000
China	\$750,000	\$750,000	\$750,000
Project Finance Initiatives - finance up to 3 turn-key Smart Irrigation projects			
Colombia - Open Field Avocado	\$850,000	\$850,000	\$850,000
Argentina - Open Field Wine Grapes	\$350,000	\$350,000	\$350,000
Colombia - Open Blueberries		\$850,000	\$850,000
Precise Irrigation Technology - Finalize R&D efforts and commercialize.	\$350,000	\$600,000	\$600,000
General Working Capital	\$500,000	\$500,000	\$500,000
Unallocated Working Capital	\$2,495,508	\$3,235,508	\$3,787,508
Total	\$6,245,508	\$8,805,508	\$8,637,508

The Resulting Issuer's principal business objectives include becoming a global leader in providing services to small and medium agricultural operators in emerging markets. The major initiatives and investments the Resulting Issuer intends to undertake between the QT Closing Date and the first anniversary of the QT Closing Date in order for the Resulting Issuer to meet this business objective include, but are not limited to:

1. **Undertake an expansion of its marketing initiatives:** the Resulting Issuer intends to accelerate its efforts to secure additional project and distribution business in certain geographic areas, including Mexico, the Balkans and China. The Resulting Issuer estimates the cost for Mexico to be approximately \$500,000, approximately \$750,000 for China and \$450,000 for the Balkans. It is not anticipated that additional licenses or approvals will be required to open new marketing offices, other than customary permits to carry out business in those jurisdictions such as business registration with the company registrar and application for income/payroll tax with requisite government authorities. Each of the offices will employ a country manager and a sales manager. The country manager will be responsible for overall operations of the Resulting Issuer within a given geography and the sales manager will be focused on generating and following up with potential client leads. It is expected that the China office will also have an installation team consisting of three individuals who will be assisting with carrying out the projects for the Resulting Issuer's clients. The team in

China is expected to be contractors and not direct employees of the Resulting Issuer. Overall personnel expenses for each of the marketing initiatives are estimated to be approximately 50% of the overall cost. In addition to staff and G&A expenses, the other component of the marketing programs are expected to be attendance at trade shows, which has been successfully used by Irri-Al-Tal in the past to gain visibility and generate leads for new business. Overall marketing expenses for each of the marketing initiatives are estimated at approximately 20% of the overall cost and the balance 30% of the cost relating to the general and administrative expenses. The Resulting Issuer also intends to invest in advertising, public relations and marketing initiatives to generate general awareness of Irri-Al-Tal's brand, capabilities and presence in new markets. Examples of these activities include: advertising, publishing of professional articles in trade magazines, TV interviews on successful implementation of a project and the importance of saving water by using drip irrigation.

2. **Complete development of Precise Irrigation System:** the Resulting Issuer plans to allocate approximately \$350,000 of the proceeds of the Offering to complete the development of the Precise Irrigation System, prepare it for market readiness and take steps to launch the commercialized efforts. The technology will be offered to clients in the Resulting Issuer's Projects Business Unit Segment and certain existing customers. If less than the Maximum Offering is completed, the Company intends to delay the machine learning enhancements (which are estimated to cost an additional \$250,000 over 24 months) and order the initial technology in smaller batches (once the development is completed). See "*Information Concerning Irri-Al-Tal – General Description of the Business of Irri-Al-Tal – Products and Services – Proprietary Technology Licensing Business Plan*".
3. **Undertake up to three project finance initiatives in its Project Finance Sub Unit:** the Resulting Issuer intends to accelerate the business roll-out of its project financing initiatives. The Resulting Issuer estimates that there are three projects in its pipeline which meet the criteria that it has set out that it has available to it. The details relating to the three project initiatives are set out in the table below. In order for the Resulting Issuer to undertake a particular project finance initiative, the Resulting Issuer's practice is to complete a detailed due diligence assessment of the opportunity and satisfy itself of sufficient security being in place for such project. Once the Resulting Issuer satisfies itself with completing the review it will be able to advance the funds and complete the project finance initiative.

# ²	Country	Type of project and crop	Acreage (in hectares)	Est. Cost ¹	Est. Timing of finalizing due diligence and obtaining security	Security pre-requisites
1	Colombia	Open Field Avocado	100	\$850,000	Q1 2019	Lien against the property and a secured note with a personal guarantee from the principals of the agricultural operators.
2	Argentina	Open Field Wine Grapes	44	\$350,000	Q1 2019	
3	Colombia	Open Field Blueberries	5	\$850,000	Q1 2019	
			Total:	\$2,050,000		

Notes:

¹ – the amount also represents the Resulting Issuer's estimated cash outlay required in order to undertake the project finance initiative, which will become the collateral for the project.

² – the Resulting Issuer intends to undertake project #1 if the Minimum Offering is completed, and all three projects if the Maximum Offering is completed.

The specific terms of each of the project finance initiatives are subject to final negotiation with the principals of the agricultural operators, as the Resulting Issuer has not entered into agreements to consummate each of the initiatives. Based on preliminary conversations between Irri-Al-Tal's management and the principals of each of the project finance initiatives, the Resulting Issuer expects to secure the following terms: i) 8%

interest rate; ii) 36 month term; iii) loan-to-value ratio of 80% or less; and iv) the notes are considered in default if the scheduled payment is late more than once and the principal is not repaid within 30 days of such late payment. Prior to entering into such agreements, the Resulting Issuer intends have local legal counsel advise the Resulting Issuer's management regarding any issues relating to security. It is not anticipated that additional licenses or approvals will be required other than obtaining confirmation from government authorities of obtaining the security registration relating to the liens against the properties and promissory notes from the owners. See "*Information Concerning Irri-Al-Tal – General Description of the Business of Irri-Al-Tal – Products and Services – Projects Business Unit Description (including Project Financing Sub-Unit)*", "*Information Concerning Irri-Al-Tal – General Description of the Business of Irri-Al-Tal – Supplier Financing*" and "*Information Concerning the Resulting Issuer – Risk Factors*".

Notwithstanding the proposed uses of funds as discussed above, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. It is difficult, at this time, to definitively project the total funds necessary to affect the planned activities of the Resulting Issuer. For these reasons, it is in the best interests of the Resulting Issuer and its shareholders to afford management a reasonable degree of flexibility to allocate the funds among the uses identified above, or for other purposes (including acquisitions to increase the Resulting Issuer's customer and product base and to strengthen and build its infrastructure), as the need arises. Further, the above uses of available funds should be considered estimates. The Resulting Issuer may require additional funds in order to fulfill all of the its expenditure requirements to meet its objectives. There is no minimum amount to be raised under the Concurrent Private Placement and the net proceeds to be raised therefrom (if any) will be used for unallocated working capital. See "*Information Concerning the Resulting Issuer – Risk Factors*". There is no assurance that any additional funding required by the Resulting Issuer will be available on economical terms or at all. However, it is anticipated that the available funds will be sufficient to satisfy the Resulting Issuer's objectives over the 12 months following completion of the Offering.

The investment policy for unallocated funds will be determined by the directors of the Resulting Issuer. Until such time as unallocated funds are required for use as working capital, the Resulting Issuer plans to invest such funds in securities of, or those guaranteed by, the Government of Canada, any province or territory thereof or the Government of the United States, in certificates of deposit or in interest bearing accounts of Canadian chartered banks and/or trust companies, or a combination thereof.

Dividends or Distributions of Resulting Issuer

It is not contemplated that any dividends will be paid in the immediate or foreseeable future following completion of the Offering.

Description of the Securities

The attributes of the Common Shares will remain the same after the Securities Exchange. See "*Information Concerning the Company – Description of the Securities*".

Options to Purchase Securities of the Resulting Issuer

There are currently no Common Shares that have been reserved for issuance pursuant to the exercise of the Company Options, and no grants of options are planned prior to completion of the Proposed Qualifying Transaction. Other than in connection with the Offering and the Concurrent Private Placement, no grants of warrants are planned prior to completion of the Proposed Qualifying Transaction. See "*Information Concerning the Resulting Issuer – Pro Forma Consolidated Capitalization of the Resulting Issuer*" for information regarding anticipated options and warrants outstanding following the Offering.

Pro-Forma Consolidated Capitalization of the Resulting Issuer

The following table sets forth the pro forma share and loan capital of the Resulting Issuer, on a consolidated basis, after giving effect to the Proposed Qualifying Transaction and assuming the Concurrent Private Placement is fully subscribed as described in the pro forma financial statements of the Resulting Issuer. See "*Schedule 'F' – Pro-Forma Financial Statements of the Resulting Issuer*".

Designation of Security	Amount Authorized	Outstanding After Giving Effect to the Securities Exchange and Offering		
		Minimum Offering	Maximum Offering	Maximum Offering and Over-Allotment
Common Shares ⁽¹⁾	Unlimited	93,201,200	101,706,800	104,258,480
Consideration Warrants	N/A	9,000,000	9,000,000	9,000,000
Consideration Comp Options	N/A	800,000	800,000	800,000
Consideration Finder's Warrants	N/A	640,000	640,000	640,000
Unit Warrants	N/A	4,000,000	8,000,000	9,200,000
Broker Warrants	N/A	640,000	1,280,000	1,472,000

Note:

(1) Calculated on undiluted basis and assumes issuance of Stock Success Fees.

Pro-Forma Fully Diluted Share Capital of the Resulting Issuer

In addition to the information set out in the capitalization table above, the following table sets out the diluted share capital of the Resulting Issuer after giving effect to the Securities Exchange and the Offering:

		Percentage Held After Giving Effect to the Minimum Offering ⁽⁶⁾		Percentage Held After Giving Effect to the Maximum Offering ⁽⁸⁾		Percentage Held After Giving Effect to the Maximum Offering and Over-Allotment ⁽⁸⁾	
		Common Shares	% of fully-diluted total	Common Shares	% of fully-diluted total	Common Shares	% of fully-diluted total
Current shareholders of the Company after giving effect to Consolidation	See note 1	2,800,000	2.9%	2,800,000	2.6%	2,800,000	2.5%
	See note 2	2,800,000	2.6%	2,800,000	2.3%	2,800,000	2.2%
Current Irri-Al-Tal Shareholders (including the Common Shares issuable pursuant to the Concurrent Private Placement, if applicable)	See note 1	74,443,922	77.9%	74,443,922	68.5%	74,443,922	66.1%
	See note 2	82,443,922	75.9%	82,443,922	67.7%	82,443,922	65.6%
Stock Success Fees ⁽¹⁰⁾	See note 1	(548,322)	-0.6%	(42,722)	0.0%	108,958	0.1%
	See note 2	(42,722)	0.0%	462,878	0.4%	614,558	0.5%
Purchasers Under the Offering	See note 1	8,000,000	8.4%	16,000,000	14.7%	18,400,000	16.3%
	See note 2	8,000,000	7.4%	16,000,000	13.1%	18,400,000	14.6%
Total:	See note 1	84,695,600	88.7%	93,201,200	85.8%	95,752,880	85.0%
	See note 2	93,201,200	85.8%	101,706,800	83.5%	104,258,480	82.9%
Common Shares issuable upon exercise of Consideration Warrants issued to replace Initial Warrants ⁽³⁾	See note 1	5,000,000	5.2%	5,000,000	4.6%	5,000,000	4.4%
	See note 2	5,000,000	4.6%	5,000,000	4.1%	5,000,000	4.0%
Common Shares issuable upon exercise of Consideration Warrants issued to replace Concurrent Warrants ⁽⁴⁾	See note 1	-	0.0%	-	0.0%	-	0.0%
	See note 2	4,000,000	3.7%	4,000,000	3.3%	4,000,000	3.2%
Common Shares issuable upon exercise of Consideration Comp Options issued to replace Initial Financing Finder's Warrants and Consideration Warrants underlying the Initial Financing Finder's Warrants ⁽⁵⁾	See note 1	1,200,000	1.3%	1,200,000	1.1%	1,200,000	1.1%
	See note 2	1,200,000	1.1%	1,200,000	1.0%	1,200,000	1.0%
Common Shares issuable upon exercise of Consideration Finder's Warrants issued to replace Concurrent Finder's Warrants ⁽⁶⁾	See note 1	-	0.0%	-	0.0%	-	0.0%
	See note 2	640,000	0.6%	640,000	0.5%	640,000	0.5%
Common Shares issuable upon exercise of Unit Warrants ⁽⁷⁾	See note 1	4,000,000	4.2%	8,000,000	7.4%	9,200,000	8.2%
	See note 2	4,000,000	3.7%	8,000,000	6.6%	9,200,000	7.3%
Common Shares issuable upon exercise of Broker Warrants ⁽⁹⁾	See note 1	640,000	0.7%	1,280,000	1.2%	1,472,000	1.3%
	See note 2	640,000	0.6%	1,280,000	1.1%	1,472,000	1.2%
Total Common Shares Reserve for Issuance:	See note 1	10,840,000	11.3%	15,480,000	14.2%	16,872,000	15.0%
	See note 2	15,480,000	14.2%	20,120,000	16.5%	21,512,000	17.1%

		Percentage Held After Giving Effect to the Minimum Offering ⁽⁸⁾		Percentage Held After Giving Effect to the Maximum Offering ⁽⁸⁾		Percentage Held After Giving Effect to the Maximum Offering and Over-Allotment ⁽⁸⁾	
		Common Shares	% of fully-diluted total	Common Shares	% of fully-diluted total	Common Shares	% of fully-diluted total
Total Number of Fully Diluted Common Shares:	See note 1	95,535,600	100.0%	108,681,200	100.0%	112,624,880	100.0%
	See note 2	108,681,200	100.0%	121,826,800	100.0%	125,770,480	100.0%

Notes:

- (1) Assuming that no funds raised under the Concurrent Private Placement.
- (2) Assuming that the Concurrent Private Placement is fully subscribed.
- (3) The Consideration Warrants issued to replace the Initial Warrants will be exercisable into Common Shares at a price per Common Share that is lesser the of: (i) \$0.275, and (ii) the Offering Price, and will expire two (2) years from the issuance of the Initial Warrants.
- (4) The Consideration Warrants issued to replace the Concurrent Warrants will be exercisable into Common Shares at a price per Common Share at a price of \$0.40 and will expire two (2) years from the issuance of the Concurrent Warrants.
- (5) Each Consideration Comp Option issued to replace the Initial Financing Finder's Warrants is exercisable at a price of \$0.175 per Consideration Comp Option into one Common Share and one half of one of one Consideration Warrant, and will expire two (2) years from the issuance of the Initial Financing Finder's Warrants.
- (6) Each Consideration Finder's Warrant issued to replace the Concurrent Finder's Warrants is exercisable at a price of \$0.25 per Consideration Finder's Warrant into one Common Share, and will expire two (2) years from the issuance of the Concurrent Finder's Warrants.
- (7) The Unit Warrants are exercisable into Common Shares at an exercise price of \$0.40 per Common Share for 24 months from the Offering Closing Date, subject to the Acceleration Clause.
- (8) Percentage calculated on a fully-diluted basis assuming issuance of Common Shares pursuant to the Stock Success Fees.
- (9) Each Broker Warrant is exercisable into Agent's Shares at a price of \$0.25 per share for a period of 24 months from the Offering Closing Date.
- (10) Pursuant to the terms of the Bresler-Aloni Haft Agreement, if the total number of securities outstanding after the Proposed Qualifying Transaction is below certain thresholds, the parties to Bresler-Aloni Haft Agreement have agreed to return a certain number of Common Shares to Irri-Al-Tal for cancellation. See *"Information Concerning the Proposed Qualifying Transaction"*.

Principal Shareholders of the Resulting Issuer

To the knowledge of the directors and officers of the Company and Irri-Al-Tal, it is anticipated that no shareholders will beneficially own, or control or direct, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Resulting Issuer upon completion of the Securities Exchange and the Offering except for the following:

Shareholder and Municipality of Residence	Type of Ownership	Number of Common Shares held	Concurrent Private Placement	Percentage held assuming completion of the Minimum Offering ⁽¹⁾	Percentage held assuming completion of the Maximum Offering ⁽¹⁾	Percentage held assuming completion of the Maximum Offering and exercise of the Over-Allotment Option ⁽¹⁾
Ohad Haber⁽⁴⁾ <i>Givat Elah, Israel</i>	Registered	57,000,000	See note 2	67.30%	61.16%	58.53%
			See note 3	61.16%	56.04%	54.67%

Notes:

- (1) Percentage calculated on an undiluted basis assuming the issuance of the Stock Success Fees.
- (2) Assuming that no funds raised under the Concurrent Private Placement.
- (3) Assuming that the Concurrent Private Placement is fully subscribed.
- (4) Pursuant to the Israeli Tax Pre-Ruling, immediately following completion of the Securities Exchange, the holders of IAT Shares or option holders who receive Common Shares or options to purchase Common Shares, as the case may be, must hold not less than 25% of the outstanding Common Shares.

Directors and Executive Officers of the Resulting Issuer

Subject to Exchange approval, the proposed officers and directors of the Resulting Issuer will be as follows:

Name, Municipality, province or state and country of Residence	Proposed Position with the Resulting Issuer	Principal Occupation During the Past Five Years	Concurrent Private Placement	Number of Common Shares and Percentage Held Assuming Completion of the Minimum Offering ⁽²⁾		Number of Common Shares and Percentage Held Assuming Completion of the Maximum Offering ⁽²⁾		Number of Common Shares and Percentage Held Assuming Completion of the Maximum Offering and Exercise of Over- Allotment Option ⁽²⁾	
				Number	%	Number	%	Number	%
Ohad Haber⁽⁶⁾ <i>Givat Elah, Israel</i>	Director and Chief Executive Officer	CEO of Irri-Al- Tal since October 2003	See note 3	57,000,000	67.30%	57,000,000	61.16%	57,000,000	58.53%
			See note 4	57,000,000	61.16%	57,000,000	56.04%	57,000,000	54.67%
Meira Zada Afula, Israel	Chief Financial Officer	CFO of Irri-Al- Tal since January 2018. Professional accounting practice from January 2004.	See note 3	Nil	Nil	Nil	Nil	Nil	Nil
			See note 4	Nil	Nil	Nil	Nil	Nil	Nil
Amir Eylon Mishmarot, Israel	Vice President of Operations and Projects	Vice President of Operations and Projects of Irri-Al-Tal	See note 3	Nil	Nil	Nil	Nil	Nil	Nil
			See note 4	Nil	Nil	Nil	Nil	Nil	Nil
Tomer Bachar Kibbutz Metzer, Israel	Chief Technology Officer	Water Engineer with Irri-Al-Tal from July 2017; Water Engineer with Meterzplas between 2014 and 2017; Water Engineer with NaanDanJain between 2012 and 2014	See note 3	Nil	Nil	Nil	Nil	Nil	Nil
			See note 4	Nil	Nil	Nil	Nil	Nil	Nil
Ronnie Jaegermann⁽⁵⁾ <i>Tel-Aviv, Israel</i>	Director	Head of Investment Banking at Aloni Haft Ltd. since 2014	See note 3	886,400	1.05%	1,012,800	1.09%	1,050,720	1.10%
			See note 4	1,012,800	1.09%	1,139,200	1.12%	1,177,120	1.13%
Yehuda Doron⁽¹⁾ <i>Tel-Aviv, Israel</i>	Director	Partner at Medton Hedim, a hearing aid retail chain since 2010 and Chairman of Polymer G since 2014	See note 3	Nil	Nil	Nil	Nil	Nil	Nil
			See note 4						
James Lanthier⁽¹⁾ <i>Toronto, Canada</i>	Director	CEO of Tangelo Games Corp. from Sept 2015. CEO of RAM Equity LP between January 2014 and August 2015. CFO, COO and Director of Mood Media Corp. between January 2008 and June 2016.	See note 3	Nil.	Nil	Nil	Nil	Nil	Nil
			See note 4						
Adam Szwercas⁽¹⁾ <i>Thornhill, Canada</i>	Director	Partner at Fogler, Rubinoff LLP since February 2006. Chairman of FMI and FMICA.	See note 3	962,961	1.14%	962,961	1.03%	962,961	1.01%
			See note 4	962,961	1.03%	962,961	0.95%	962,961	0.92%

Notes:

- (1) Proposed member of the audit committee.
- (2) Percentage calculated on an undiluted basis assuming the issuance of the Stock Success Fees.
- (3) Assuming that no funds raised under the Concurrent Private Placement.
- (4) Assuming that the Concurrent Private Placement is fully subscribed
- (5) Pursuant to the terms of Bresler-Aloni Haft Agreement, if the total number of securities outstanding after the Proposed Qualifying Transaction is below certain thresholds, the parties to the Bresler-Aloni Haft Agreement have agreed to return a certain number of Common Shares to Irri-Al-Tal for cancellation. See "*Information Concerning the Proposed Qualifying Transaction*".
- (6) Pursuant to the Israeli Tax Pre-Ruling, immediately following completion of the Securities Exchange, the holders of IAT Shares or optionholders who receive Common Shares or options to purchase Common Shares, as the case may be, must hold not less than 25% of the outstanding Common Shares.

Subject to Exchange and shareholder approval, on completion of the Proposed Qualifying Transaction, the following individuals are the proposed directors and/or officers of the Resulting Issuer:

Ohad Haber, CEO and Director, 61 years of age – Mr. Haber has thirty years of experience in project management sales and marketing in the agricultural industry. Prior to founding Irri-Al-Tal, between 1997 and 2002 Mr. Haber served as sales and operations manager of Latin America Region at Dan Sprinklers Ltd. - an Israeli manufacturer of sprinklers and irrigation systems, which merged with NaanDan Irrigation Systems (C.S.) Ltd. in 2007 to form NaanDanJain Irrigation C.S. Ltd. Between 1992 and 1997 Mr. Haber served as the Head of Israel sales and marketing for Metzerplas an Israeli manufacturer of drip irrigation systems. Mr. Haber has extensive operational experience in the area of open field and vineyard farms irrigation.

Meira Zada, CFO, 41 years of age – Ms. Zada oversees Irri-Al-Tal's finance team, including analytics, planning, and accounting. She is a certified public accountant and has over thirteen years of public accounting experience. Between January 2012 and January 2013 Ms. Zada served as the CFO of SuperCom Ltd. (NASDAQ:SPCB). Between January 2004 and December 2010 Ms. Zada served as a financial controller at Elspec Ltd. a company listed on the TASE. Ms. Zada is an Israeli CPA and holds a BA in Accounting and Economics from the Ruppin Academic Center in Israel.

Amir Eylon, Projects Manager, 52 years of age – Mr. Eylon has thirty years of experience in the areas of pressurized irrigation and agricultural products. He brings experience designing and managing the installation of turnkey irrigation projects located in developing regions and has developed a knowledge of market dynamics within the emerging markets as a result. Prior to joining Irri-Al-Tal November 2005, Mr. Eylon served as an operations manager of Metzerplas in South America. Mr. Eylon holds a BA in Business Administration from the Ruppin Academic Center in Israel.

Tomer Bachar, Chief Technology Officer, 35 years of age – Mr. Bachar is Irri-Al-Tal's Chief Technology Officer and also supports the marketing department. Prior to joining Irri-Al Tal in July 2017, Mr. Bachar held the position of Water System and Irrigation Engineer with Metzerplas Ltd., as well as in NaanDanJain designing irrigation and water supply systems for numerous projects. Mr. Bachar has also managed several irrigation projects in eastern Ethiopia. Mr. Bachar has a BSc in Water and Agriculture Engineering from the Haifa Technion, Israel's Institute of Technology.

Ronnie Jaegermann, Director, 57 years of age – Mr. Jaegermann has been the Chief Executive Officer and Head of Investment Banking Advisory at Aloni Haft, a Tel-Aviv-based boutique investment bank focused on fund raisings for Israeli companies in international capital markets, since 2014. He has led multiple businesses in growing them from start-up to profitable companies that became take-out targets. Between November 2012 and October 2013, Mr. Jaegermann was the Chief Executive Officer of JNH International Ltd., a company that manufactures, markets and sells Disney licensed children furniture and toddler and junior Disney bed linen. Mr. Jaegermann holds a BA in Economics and Political Science from Tel Aviv University. Mr. Jaegermann is a mentor at the Keren Shemesh foundation, a non-profit organization assisting young entrepreneurs in establishing new businesses.

Yehuda Doron, Director, 59 years of age – Mr. Doron founded and assisted in running several businesses based in Israel in his capacity as an advisor. He is currently a Managing Director at Medton Hedim – a hearing aid retail and manufacturing company and a Chairman of Polymer G, a chemical company. Formerly, Mr. Doron served as a partner at Orr Community Ventures – USD \$40M fund providing equity capital to SMEs located in Israel's most under-developed regions, and as a CEO of various retail and manufacturing businesses. Between November 2004 and November 2010, Mr. Doron served as an independent non-executive director of Emilia Development (O.F.G.) Ltd., an investment company listed on the TASE. Mr. Doron holds a BA in Business Administration and Economics from Tel Aviv University.

James Lanthier, Director, 44 years of age – Mr. Lanthier has been the Chief Executive Officer and a Director of Tangelo from September 2015. Prior to joining Tangelo, Mr. Lanthier was the CEO of RAM Equity LP ("**RAM**"), an investment partnership focused on middle market media and technology investments. From January 2015 to September 2015, Mr. Lanthier was a member of the founding management team of Mood. Mr. Lanthier was the Chief Operating Officer of Mood Media Corp. ("**Mood**") between January 2008 and February 2013 and a non-executive Director of Mood between January 2013 and June 2016. Prior to Mood, Mr. Lanthier co-founded FUN Technologies, a casual games business which he helped lead as Chief Financial Officer through its initial public offering on the TSX and London Stock Exchanges through its eventual sale to Liberty Media. Mr. Lanthier holds an MBA from the Rotman School of Management at the University of Toronto and a BA (Honours) from Queens University.

Adam K. Szweras, Secretary and Director, 46 years of age – Mr. Szweras is a securities law partner with Fogler, Rubinoff LLP in Toronto and Chairman of FMI, a Toronto based merchant bank and brokerage firm. His law practice focuses on financings and going public transactions, and in his banking practice, he works closely to build, invest in, and develop emerging business. Mr. Szweras represents and sits on the boards of several mid-market public companies and assists companies in listing on the TSX, the Exchange, and the Canadian Securities Exchange. He has a particular expertise with cross border mid-market transactions and often acts as a strategic advisor to his clients. Mr. Szweras works with public and private companies active in marijuana markets in Canada and the United States as well as companies with businesses in energy transmission, oil and gas and alternative energy, technology, and food producers. Mr. Szweras has experience in representing clients in Canada and the United States as well as South America, China and South Asia. Mr. Szweras both joined Fogler, Rubinoff LLP and founded the FMI and FMICA in 2006. Mr. Szweras was called to the Ontario Bar in 1996 and has authored numerous papers and articles relating to Canadian and foreign securities and corporate law.

Language Barriers

Taken together the members of the board of directors and the executive officers have adequate command of English, which will be adopted as the main language of the Resulting Issuer. Their oral skills are satisfactory and they have demonstrated an ability to address inquiries by way of written communication, and as such we don't foresee a language barrier. Ronnie Jaegermann, who is fluent in both Hebrew and English will act as a lead liaison for the Resulting Issuer in respect of communications with investors, regulatory authorities and other counterparties after completion of the Proposed Qualifying Transaction. English will be the main language of the Resulting Issuer, the material documents relating to the Resulting Issuer will be drawn up in English. While Hebrew is the official language of the State of Israel, a significant proportion of Israel's population has a basic knowledge of English or better. In addition, it is also a common practice for Israel based companies who conduct international business to conduct their business in English. As such, the Company does not foresee that significant changes will be needed to make language-related accommodations for the board members who do not have a command of Hebrew. While Irri-Al-Tal does not anticipate this will be the case, if the material documents of the Resulting Issuer are drawn up in a language other than English (for example, in a jurisdiction outside of Israel or Canada, where English is not an official language), the Resulting Issuer intends to employ the services of an independent licensed translator before the documents are presented to the board in both, English and the native formats. Since English will be the main language of the Resulting Issuer, it will not be employing a special communications plan.

Removal of Directors and Officers of Irri-Al-Tal

Following complete of the Proposed Qualifying Transaction IAT will be a wholly-owned Israeli subsidiary of the Resulting Issuer. Pursuant to the Companies Law, 1999 (the "**Companies Law**"), directors of an Israeli company such as Irri-Al-Tal may be removed in the following manner:

- (i) Removal by Shareholders - a. Pursuant to section 230(a)-(b) of the Companies Law, a director may be removed at a general meeting of shareholders, at any time, unless otherwise provided in the articles of association, provided that the director shall be given the opportunity to put his case before the general meeting. Where the articles of association contain a provision whereby a director may be appointed to hold office otherwise than by the general meeting, such person may only be removed from office by the person entitled to appoint him and in the manner prescribed for such in the articles of association, unless otherwise provided in the articles of association. b. Pursuant to section 231 of the Companies Law, where a company becomes aware that a director was appointed contrary to the provisions of the Companies Law, the board of directors shall resolve, at its first meeting convened after becoming so aware, to terminate the office of such director, if it finds that the said conditions are fulfilled, and such office shall expire on the date of such

resolution. c. Pursuant to section 232 of the Companies Law, where a director has been convicted by a final judgment of an offense provided in the Companies Law, or if the Administrative Enforcement Committee decides to impose upon a person enforcement measures prohibiting him from serving as a director of a public company, he shall so inform the company and his office shall terminate on the date of giving of such notice.

- (ii) **Removal by Court Ruling:** Pursuant to section 233 of the Companies Law, an Israeli court may, on application of the company, a director, shareholder or creditor, order the termination of the office of a director of it finds that the director is permanently unable to fulfill their function or they were found guilty in a court outside Israel of offenses referred to in the Companies Law.

Pursuant to the Companies Law, officers of an Israeli company may be removed in the following manner:

Pursuant to section 250 of the Companies Law, the General Manager (as defined herein) is appointed and dismissed at the discretion of the board of directors. Pursuant to section 251 of the Companies Law, Office Holders (as defined herein) of a company, other than directors and the General Manager, are appointed and dismissed in a private company by the board of directors. An **"Office Holder"** is defined in the Companies Law as: "a director, general manager, chief business manager, deputy general manager, vice-general manager, any person filling any of these positions in a company even if he holds a different title, and any other manager directly subordinate to the general manager." According to Irri-Al-Tal's articles of association, a "General Manager" includes the President and/or Chief Executive Officer of the Company. Based on the foregoing, as the sole shareholder of Irri-Al-Tal, the Resulting Issuer will be able to remove or replace directors of Irri-Al-Tal at will, and through its control of the board of directors of Irri-Al-Tal, the Resulting Issuer can also appoint or dismiss officers of Irri-Al-Tal at will.

Other Reporting Issuer Experience

The following table sets out the proposed directors, officers and promoters of the Resulting Issuer that are, or have been within the last five (5) years, directors, officers or promoters of other issuers that are or were reporting issuers in any Canadian jurisdiction:

Name	Name of Reporting Issuer	Name or Exchange or Market	Position	From	To
Ronnie Jaegermann	Cann-Is Capital Corp.	Exchange	CFO	January 2018	Present
Adam Szweras	Revival Gold Inc. (formerly Strata Minerals Inc.)	Exchange	Director	July 2015	December 2015

Name	Name of Reporting Issuer	Name or Exchange or Market	Position	From	To
	Aurora Cannabis Inc.	TSX	Director	August 2015	Present
	Tinley Beverage Company Ltd.	CSE	Director, Corporate Secretary	December 2010	September 2016
	Lineage Grow Company Ltd.	CSE	Corporate Secretary	December 2011	Present
	Quinsam Capital Corporation	CSE	Director	October 2017	Present
	Petrolympic Ltd.	Exchange	Secretary	June 2008	Present
	Mahdia Gold Corp.	CSE	Director, Secretary	April 2016	May 2018
	Canada Pacific Canada Corp.	NEX	Director, Secretary	May 2010	August 2014
	SustainCo Inc.	Exchange	Director	March 2017	Present
	Nutritional High International Inc.	CSE	Corporate Secretary, Director	July 7, 2014	Present
	Australis Capital Inc.	CSE	Director or Senior Officer of 10% Security Holder	August 2018	September 2018
James Lanthier	Tangelo Games Corporation	Exchange	CEO and Director	September 2015	Present
	NYX Gaming Group Limited	Exchange	Director	December 2015	June 2016
	Mood Media Corp.	TSX	CFO, COO and Director	January 2008	June 2016
	Fun Technologies Inc.	TSX	CFO and COO	September 2002	December 2007

Corporate Cease Trade Orders, Individual Bankruptcies, Penalties and Sanctions

Except as set out below, within ten (10) years before the date of this Prospectus, none of the directors, executive officers or promoters of the Company was a director, CEO or CFO of any company (including the Company) that was:

- (a) subject to an Order that was issued while the director or executive officer was acting in the capacity as director, CEO or CFO; or
- (b) was subject to an Order that was issued after the director or executive officer ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO; or
- (c) has been within ten (10) years before the date of this Prospectus, a director or executive officer of any issuer that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

For the purposes of the foregoing the term "Order" means a cease trade order or similar order or an order that denied that issuer access to any exemptions under applicable securities legislation.

Adam Szweras was a director and the Corporate Secretary of Bassett, an Exchange listed company, until March 16, 2010. Bassett has been subject to a cease trade order since June 16, 2010 for failing to file its financial statements.

In the ten (10) years prior to the date hereof, none of the directors, executive officers or promoters of the Company or a shareholder holding a sufficient number of securities of Company to affect materially the control of the Company has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Individual Bankruptcies

Except as disclosed below, none of the directors, officers, Insiders and promoters of the Resulting Issuer, or a shareholder holding sufficient securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, has, within the ten (10) years before the date of the Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold their assets.

Penalties or Sanctions

None of the directors, officers, Insiders and promoters of Resulting Issuer or a shareholder holding sufficient securities of Resulting Issuer to affect materially the control of Resulting Issuer has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority.

None of the directors, officers, Insiders and promoters of Resulting Issuer or a shareholder holding sufficient securities of Resulting Issuer to affect materially the control of Resulting Issuer has been subject to any other penalties or

sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

Audit Committee and Corporate Governance of the Resulting Issuer

Audit Committee Disclosure

The Audit Committee

Following the completion of the Proposed Qualifying Transaction, the following individuals will be the members of the Resulting Issuer's audit committee, with Mr. Szweras, Mr. Doron and Mr. Lanthier being the chair:

Name	Independence⁽¹⁾	Financial Literacy⁽²⁾
James Lanthier	Independent	Yes
Yehuda Doron	Independent	Yes
Adam Szweras	Not Independent	Yes

Notes:

- (1) As an Exchange issuer, the Resulting Issuer is exempt from the requirement to have an audit committee composed entirely of independent members pursuant to NI 52-110.
- (2) As defined in Section 1.6 of NI 52-110.

Relevant Education and Experience of Proposed Audit Committee Members

All three proposed members of the Resulting Issuer's audit committee have the required financial education and/or experience that would deem them "financially literate" by reason of having the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Resulting Issuer's financial statements.

- Mr. Lanthier has served as a senior officer and director of several Canadian-listed companies. Mr. Lanthier has been the CEO and a Director of Tangelo Games Corporation since September 2015. Mr. Lanthier was the Chief Operating Officer of Mood between January 2008 and February 2013 and a non-executive Director of Mood between January 2013 and June 2016. Mr. Lanthier was CEO of RAM Equity LP between January 2014 and August 2015. Mr. Lanthier holds an MBA from the Rotman School of Management at the University of Toronto and a BA (Honours) from Queens University.
- Mr. Doron has founded and run several businesses based in Israel and has the ability to read and understand a set of financial statements. He also has an understanding of businesses in emerging countries, through his experience with Orr Community Ventures where he worked with various retail and manufacturing businesses. Mr. Doron holds a BA in business administration and economics from Tel Aviv University.
- Mr. Szweras has served as a director of a number of public companies, including several audit committee appointments. Adam is a securities law partner with Fogler, Rubinoff LLP in Toronto and Chairman of FMI, a Toronto based merchant bank and brokerage firm. His law practice focuses on financings and going public transactions, and in his banking practice, he works closely to build, invest in, and develop emerging business.

Audit Committee Charter

The Resulting Issuer plans to continue to use the audit committee charter currently in place for the Company a copy of which is attached as Schedule "A".

Corporate Governance Disclosure

Set forth below is a description of the Resulting Issuer's current corporate governance practices, which disclosure is provided pursuant to Form 58-101F2, which is attached to NI 58-101. The Resulting Issuer will implement and adopt

a continuous disclosure policy and Insider trading policy no later than the date on which the Resulting Issuer's first set of financial statements must be filed following the QT Closing Date.

Board of Directors

Ohad Haber will be chairman of the Board of the Resulting Issuer.

NI 52-110 provides that a director is independent if he or she has no direct or indirect "material relationship" with the company. In addition to certain objective criteria, a "material relationship" is defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. The directors have determined that James Lanthier and Yehuda Doron, proposed members of the Board of the Resulting Issuer, will be independent as such term is defined in NI 58-101, and that Ohad Haber (proposed Chief Executive Officer), Adam Szweras and Ronnie Jaegermann will not be independent as such term is defined in NI 58-101, as each will be, or previously was, an executive officer (as such term is defined in NI 51-102) of the Resulting Issuer. In assessing Form 58-101F2 and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors.

Directorships

The following prospective directors of the Resulting Issuer are presently directors of other issuers that are reporting issuers (or the equivalent):

Name of Director	Name of Other Reporting Issuers
James Lanthier	Tangelo Games Corporation
Adam Szweras	SustainCo Inc. Nutritional High International Inc. Quinsam Capital Corporation Aurora Cannabis Inc.

Orientation and Continuing Education

The Board of the Resulting Issuer does not intend to adopt any formal policies with respect to the orientation of new directors nor does it anticipate taking any measures to provide continuing education for the directors. However, if the growth of the Resulting Issuer's operations warrants it a formal orientation process will be implemented.

Ethical Business Conduct

The Resulting Issuer will adopt the existing anti-bribery and anti-corruption policy of Irri-Al-Tal (the "**Anti-Bribery and Anti-Corruption Policy**"). The Anti-Bribery and Anti-Corruption Policy is intended to ensure that the business activities of Irri-Al-Tal are conducted in an honest and ethical manner, with a zero-tolerance approach to bribery and corruption. The Anti-Bribery and Anti-Corruption Policy applies to all directors, officers, employees, consultants and contractors of Irri-Al-Tal and compliance with the Anti-Bribery and Anti-Corruption Policy constitutes terms of service, employment and engagement, as the case may be. The Anti-Bribery and Anti-Corruption Policy prohibits corrupt practices such as acceptance of bribes, inducements, advantages or kickbacks, and all directors, officers, employees, consultants and contractors of Irri-Al-Tal are required to comply with and report any violations of the Anti-Bribery and Anti-Corruption Policy. Violations of the Anti-Bribery and Anti-Corruption Policy will be investigated and, if violations are found to have occurred, could result in dismissal for gross misconduct.

Other than the adoption of Irri-Al-Tal's Anti-Corruption Policy described above, the board of directors of the Resulting Issuer does not intend to adopt a formal written "Code of Business Conduct and Ethics". However, the board of directors of the Resulting Issuer will monitor the activities of management on an ongoing basis to ensure that the highest standard of ethical conduct is maintained. Should the Resulting Issuer's operations grow in size and scope or should the Board or a committee thereof consider it in the best interests of the Resulting Issuer, the Board will implement additional policies and standards relating to ethical business conduct, in line with industry standards and any requirements of applicable law.

Nomination of Directors

The Resulting Issuer does not intend to adopt a formal process with respect to the appointment of new directors. The Resulting Issuer expects that when the time comes to appoint new directors to the board of directors, that the nominees would be recruited by the proposed board members, and the recruitment process would involve both formal and informal discussions among board members and management of the Resulting Issuer.

Compensation

It is anticipated that the Board of the Resulting Issuer will receive appropriate compensation for acting in such capacities which may include cash compensation and Company Options pursuant to the Stock Option Plan. The compensation arrangements will be structured to adequately reflect the responsibilities and risks involved in being an effective director or officer of the Resulting Issuer at after completion of the Proposed Qualifying Transaction.

The Resulting Issuer does not intend to have a compensation committee.

Assessments

The Resulting Issuer will not have a formal process for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant.

Promoters of the Resulting Issuer

Ohad Haber may be considered the promoter of Irri-Al-Tal and the Resulting Issuer based on his instrumental role in initially founding and forming Irri-Al-Tal. Other than as described in this Prospectus, no promoter of the Resulting Issuer has received or will receive anything of value, including money, property, contracts, options or rights of any kind from the Resulting Issuer in respect of acting as a promoter of the Resulting Issuer.

Mr. Haber's shareholdings in Irri-Al-Tal are as follows:

Shareholder and Municipality of Residence	Proposed Position with the Resulting Issuer	Principal Occupation During the Past Five Years	Number of Common Shares held	Concurrent Private Placement	Percentage Held Assuming Completion of the Minimum Offering ⁽¹⁾	Percentage Held Assuming Completion of the Maximum Offering ⁽¹⁾	Percentage Held Assuming Completion of the Maximum Offering and Exercise of the Over-Allotment Option ⁽¹⁾
Ohad Haber ⁽³⁾ Givat Elah, Israel	Director and Chief Executive Officer	CEO of Irri-Al-Tal since October 2003	57,000,000	See Note 1	67.30%	61.16%	58.53%
				See Note 2	61.16%	56.04%	54.67%

Notes:

- (1) Assuming that no funds raised under the Concurrent Private Placement.
- (2) Assuming that the Concurrent Private Placement is fully subscribed
- (3) Pursuant to the Israeli Tax Pre-Ruling, immediately following completion of the Securities Exchange, the holders of IAT Shares or optionholders who receive Common Shares or options to purchase Common Shares, as the case may be, must hold not less than 25% of the outstanding Common Shares.

Indebtedness of Directors, Officers and Promoters

None of the proposed directors, officers or promoters of the Resulting Issuer nor any of their respective Associates or Affiliates will be indebted to the Resulting Issuer following the completion of the Proposed Qualifying Transaction.

Interests of Proposed Management and Others in Material Transactions

Other than as disclosed herein, none of the proposed directors or executive officers of the Resulting Issuer, or persons companies that beneficially own, or control or direct, directly or indirectly, more than ten (10%) of the outstanding Common Shares, or any Associate or Affiliate of any of the foregoing, has any material interest, direct or indirect, in any transactions in which the Resulting Issuer has participated within the three (3) years before the date of this Prospectus, which has materially affected or is reasonably expected to materially affect the Resulting Issuer.

Conflicts of Interest

Some of the individuals proposed for appointment as directors or officers of the Resulting Issuer upon the completion of the Proposed Qualifying Transaction are also directors, officers and/or promoters of other reporting and non-reporting issuers. Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of the Resulting Issuer, notwithstanding that they will be bound by the provisions of the OBCA to act at all times in good faith in the interest of the Resulting Issuer and to disclose such conflicts to the Resulting Issuer if and when they arise. Prospective participants in the Offering must appreciate that they will be required to rely on the judgment and good faith of the directors and officers of the Resulting Issuer, in resolving any conflicts of interest that may arise.

To the best of its knowledge, the Resulting Issuer is not aware of the existence of any conflicts of interest between the Company, Irri-Al-Tal and any of its directors and officers as of the date of this Prospectus, except insofar as:

- (i) Adam Szweras, Director and Secretary of the Company and a proposed director of the Resulting Issuer, is also a partner of Fogler, Rubinoff LLP, the law firm acting for the Company with respect to the Proposed Qualifying Transaction. Adam Szweras is also director and chairman of FMI, which has acted as agent in the Initial Financing and owns 229,809 Initial Financing Finder's Warrants. Adam Szweras is also a director and chairman of FMICA, which has entered into the FMICA Agreement pursuant to which FMICA will receive the FMICA Success Fee upon successful completion of the Proposed Qualifying Transaction, and currently owns 1,653,571 IAT Shares. In addition, Adam Szweras beneficially owns 62,500 Pre-Consolidation Shares, 129,885 IAT Shares and 64,943 Initial Warrants. Pursuant to the terms of the FMICA Agreement, out of 3,307,142 Common Shares that will be issued to FMICA in exchange for 1,653,571 IAT Shares owned by FMICA, approximately 661,428 Common Shares will be issued to Adam Szweras and approximately 992,144 will be issued to other principals of FMICA, bringing the total number of Common Shares owned by FMICA after completion of the Securities Exchange to 1,696,429 Common Shares (including the Common Shares issued as a part of the Stock Success Fee);
- (ii) Other than Mr. Ohad Haber, Ms. Meira Zada, Mr. Amir Eylon and Mr. Tomer Bachar, the principal occupation of the proposed officers and/or directors of the Resulting Issuer will not be their position in the Resulting Issuer;
- (iii) Ronnie Jaegermann, a consultant to Irri-Al-Tal and a proposed director of the Resulting Issuer is one of the parties to the Bresler-Aloni Haft Agreement. Mr. Jaegermann will receive 25% of the Bresler-Aloni Haft Success Fee upon successful completion of the Proposed Qualifying Transaction. As of the date hereof, Mr. Bresler owns 517,098 IAT Shares.

Proposed Executive Compensation of the Resulting Issuer

Compensation Discussion and Analysis

The objectives, criteria and analysis of the compensation of the executive officers of the Resulting Issuer will be substantially, if not identical, to how Irri-Al-Tal currently compensates its executive officers. See "*Information Concerning Irri-Al-Tal – Executive Compensation Discussion and Analysis*".

However, it is anticipated that from time-to-time (including on the QT Closing Date) Company Options will be granted under the Stock Option Plan to: (i) provide an incentive to the participants; (ii) achieve the longer-term objectives of the Resulting Issuer; (iii) give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Resulting Issuer; (iv) and attract and retain persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Resulting Issuer. The Resulting Issuer's Board will award Company Options to the participants based upon the recommendation of the Chief Executive Officer of the Resulting Issuer, other than directors. Grants to directors will be agreed to by the Board as a whole.

Other than set out herein, the Resulting Issuer has no other forms of compensation, although payments may be made from time-to-time to individuals or companies they control for the provision of consulting services. Such consulting services will be paid for by the Resulting Issuer at competitive industry rates for work of a similar nature by reputable arm's length services providers.

Summary Compensation Table

The following table sets forth the anticipated compensation to be paid or awarded to the four executive officers and one director of the Resulting Issuer, for the 12-month period after giving effect to the Securities Exchange and the Offering (expressed in USD):

Name and Principal Position with the Resulting Issuer	Salary (USD)	Share-based Awards	Option-based Awards	Non-equity Incentive Plan Compensation (USD)		Pension Value ⁽²⁾ (USD)	All other Compensation (USD)	Total Compensation (USD)
				Annual Incentive Plans	Long-term Incentive Plans			
Ohad Haber⁽⁵⁾ <i>Director and Chief Executive Officer</i>	196,990	Nil	To be determined after completion of the Proposed Qualifying Transaction in accordance with the Stock Option Plan	70,000	0.5% of the revenues	39,398	Nil	306,389
Meira Zada⁽⁶⁾ <i>Chief Financial Officer</i>	98,495	Nil		Nil	Nil	27,904	Nil	126,399
Ronnie Jaegermann⁽¹⁾⁽³⁾⁽⁴⁾ <i>Director</i>	49,248	Nil		Nil	Nil	Nil	Nil	49,248
Amir Eylon⁽⁷⁾ <i>Vice President of Operations and Projects</i>	107,143	Nil		70,000	100,000	19,639	Nil	296,782
Tomer Bachar⁽⁸⁾ <i>Chief Technology Officer</i>	65,663	Nil		Nil	Nil	18,602	Nil	84,266

Notes:

- (1) On May 10, 2018 Mr. Jaegermann has entered into a consulting agreement with Irri-Al-Tal to perform management consulting services to Irri-Al-Tal and will continue to provide services under that agreement after completion of the Proposed Qualifying Transaction.
- (2) Represents the required severance pay and pension obligations under Severance Pay Law.
- (3) Excludes the portion of the Bresler-Aloni Haft Success Fee (if any) that would be payable to Mr. Jaegermann upon completion of the Proposed Qualifying Transaction.
- (4) Represents 517,097 IAT Shares that were issued on April 16, 2018, pursuant to Bresler-Aloni Haft Agreement to Zermatok Marketing Management and Financial Consulting Ltd., a corporation controlled by Mr. Jaegermann. The number of IAT Shares represents one quarter of the Bresler-Aloni Haft Initial Fee, at a price of \$0.35 per IAT Share, being the price at which the Initial Financing was completed, at a prevailing USD:CAD exchange rate of 1.2992.
- (5) See "Information Concerning the Resulting Issuer – Proposed Executive Compensation of the Resulting Issuer – Haber Agreement".
- (6) See "Information Concerning the Resulting Issuer – Proposed Executive Compensation of the Resulting Issuer – Zada Agreement".
- (7) See "Information Concerning the Resulting Issuer – Proposed Executive Compensation of the Resulting Issuer – Eylon Agreement".
- (8) See "Information Concerning the Resulting Issuer – Proposed Executive Compensation of the Resulting Issuer – Bachar Agreement".

Incentive Plan Awards

Stock option grants will be used to align executive interests with those of shareholders and will be based on the executive's performance, level of responsibility, as well as the number and exercise price of options previously issued to the executive as part of his or her overall aggregate total compensation package. Options may be granted on periodic basis in connection with the review of executives compensation packages, or upon hire or promotion and as special recognition for extraordinary performance and in accordance with the provisions of the Stock Option Plan.

In addition, no benefits are proposed to be paid to any of the executive officers of the Resulting Issuer or directors of the Resulting Issuer under any pension or retirement plan or under any deferred compensation plan during the 12 months following completion of the Proposed Qualifying Transaction.

The Resulting Issuer does not currently intend to provide its directors with any compensation for attending any meetings of the Board of the Resulting Issuer or any committee thereof.

Pension Plan Benefits, and Termination of Employment and Change of Control Benefits

Under Severance Pay Law and labour agreements, the Resulting Issuer will be required to make severance payments to dismissed employees and employees leaving employment in certain other circumstances. The Resulting Issuer's severance pay liability to its employees is based upon each employee's number of service years and the latest monthly salary and is mainly covered by payments of premiums to insurance companies for the purchase of insurance policies in the name of the Resulting Issuer and to pension funds. The amounts accrued with insurance companies and pension funds are not under the Resulting Issuer's control and therefore are not reflected in the financial statements. The Resulting Issuer's liability will be covered by making current contributions in defined contribution plans pursuant to Section 14 to the Severance Pay Law. Under Section 14 of the Severance Pay Law the fixed contributions paid by the Resulting Issuer into pension funds and/or policies of insurance companies release the Resulting Issuer from any additional liability to employees for whom such contributions were made. These contributions and contributions for compensation represent defined contribution plans.

The liability covered by deposits with insurance companies and pension funds is irrevocably transferred to them. Accordingly, neither the amounts accumulated with insurance companies and pension funds, nor the corresponding liabilities for severance pay will be reflected in the Resulting Issuer's consolidated balance sheet. The contributions to defined contribution plans are recognized as salary expenses in the period in which the services are rendered by the employee.

Certain agreements with Irri-Al-Tal's executive officers contain provisions relating to the study fund, whereby Irri-Al-Tal is obligated to fund a certain portion of educational programs undertaken by such employees in accordance with applicable regulations enacted by the relevant government departments of the State of Israel.

Other than the Severance Pay Law, the Resulting Issuer will have no written contract, agreement, plan or arrangement to provide compensation, monetary or otherwise, to any person, in connection with or related to the retirement, termination, resignation of such person, or change of control of the Resulting Issuer.

Under than the relevant provisions of the Severance Pay Law, the Resulting Issuer does not intend to enact any deferred compensation plan or pension plan that provides for payments or benefits at, following or in connection with retirement.

Each of the officers Irri-Al-Tal have entered into agreements with Irri-Al-Tal, which are summarized below.

Haber Agreement

On January 1, 2004, Irri-Al-Tal entered into an employment agreement with Mr. Ohad Haber, Chief Executive Officer and sole director of Irri-Al-Tal and a proposed Chief Executive Officer and director of the Resulting Issuer (the "**Haber Agreement**"). Pursuant to the Haber Agreement, Ohad Haber has agreed to perform the services of a Chief Executive Officer to Irri-Al-Tal. The Haber Agreement provides that Ohad Haber will be paid a base fee of NIS 30,000 per month, which is subject to customary deductions under the Severance Pay Law. On January 1, 2018, the Haber Agreement was amended to increase the base fee to NIS 60,000 per month and to provide that Ohad Haber shall also be paid a bonus equal to 0.5% of Irri-Al-Tal's revenue. The Haber Agreement also includes a non-disclosure clause and a termination provision, whereby the Haber Agreement may be terminated by either party upon providing 60 day written notice, except in the case where an employee has been convicted of a criminal offence of embezzlement, in which case it may be terminated by Irri-Al-Tal immediately without notice. The Haber Agreement does not contain change of control, severance (other than the amounts required by law) or constructive dismissal provisions.

Zada Agreement

On January 1, 2018, Irri-Al-Tal entered into an employment agreement with Ms. Meira Zada, Chief Financial Officer of Irri-Al-Tal and a proposed Chief Financial Officer of the Resulting Issuer (the "**Zada Agreement**"). Pursuant to the Zada Agreement, Meira Zada has agreed to perform the services of a Chief Financial Officer to Irri-Al-Tal. Zada Agreement provides that Meira Zada will be paid a base fee of NIS 30,000 per month, which is subject to customary deductions under the Severance Pay Law, and also provides for a study fund equal to 10% of Meira Zada's monthly wage and a travel reimbursement of up to NIS 1,700 per month. The Zada Agreement also includes a non-disclosure clause and non-competition clauses which cover certain confidentiality provisions and a restriction on undertaking certain activities for the duration of the term of the Zada Agreement and for 12 months after termination. The Zada

Agreement may be terminated by either party upon providing written notice in accordance with Israeli advanced notice law, except in the case where an employee has been convicted of a criminal offence of embezzlement, in which case it may be terminated by Irri-Al-Tal immediately without notice. The Zada Agreement does not contain change of control, severance (other than the amounts required by law) or constructive dismissal provisions.

Eylon Agreement

On December 1, 2005, Irri-Al-Tal entered into employment agreement with Mr. Amir Eylon, Vice President of Operations and Projects of Irri-Al-Tal and a proposed Vice President of Operations and Projects of the Resulting Issuer (the "**Eylon Agreement**"). Pursuant to the Eylon Agreement, Amir Eylon has agreed to perform the services of a Vice President of Operations and Projects to Irri-Al-Tal. The Eylon Agreement provides that Amir Eylon will be paid a base fee of NIS 20,000 per month, which is subject to customary deductions under the Severance Pay Law, and also provides for a study fund for an amount to be determined at a later date and an annual base wage increase of 5%. The Eylon Agreement also includes a non-disclosure clause and non-competition clauses which cover certain confidentiality provisions and a restriction on undertaking certain activities for the duration of the term of the Eylon Agreement and for 12 months after termination. The Eylon Agreement may be terminated by either party upon providing written notice in accordance with Israeli advanced notice law, except in the case where an employee has been convicted of a criminal offence of embezzlement, in which case it may be terminated by Irri-Al-Tal immediately without notice. The Eylon Agreement does not contain change of control, severance (other than the amounts required by law) or constructive dismissal provisions. The Eylon Agreement was amended on August 12, 2018, whereby Amir Eylon shall receive a work grant equal to USD \$100,000 on December 10, 2018 as well as provide for the following with an effective date of January 1, 2018 - an increase in the base wage to NIS 35,000 per month, 1% of Irri-Al-Tal's revenue in the Projects Business Unit, and 15% of net profit of certain of Irri-Al-Tal's projects in Ethiopia.

Bachar Agreement

On July 23, 2017, Irri-Al-Tal entered into employment agreement with Mr. Tomer Bachar, Chief Technology Officer of Irri-Al-Tal and a proposed Chief Technology Officer of the Resulting Issuer (the "**Bachar Agreement**"). Pursuant to the Bachar Agreement, Tomer Bachar has agreed to perform the services of a Chief Technology Officer to Irri-Al-Tal. The Bachar Agreement provides that Tomer Bachar will be paid a base fee of NIS 20,000 per month, which is subject to customary deductions under the Severance Pay Law, and also provides for a study fund equal to 10% of Tomer Bachar's monthly wage and reimbursement of travel expenses. The Bachar Agreement also includes a non-disclosure clause and non-competition clauses which cover certain confidentiality provisions and a restriction on undertaking certain activities for the duration of the term of the Bachar Agreement and for 12 months after termination. The Bachar Agreement may be terminated by either party upon providing written notice in accordance with Israeli advanced notice law, except in the case where an employee has been convicted of a criminal offence of embezzlement, in which case it may be terminated by Irri-Al-Tal immediately without notice. The Bachar Agreement does not contain change of control, severance (other than the amounts required by law) or constructive dismissal provisions.

Proposed Director Compensation of the Resulting Issuer

The Resulting Issuer may, from time-to-time, grant Company Options to purchase common shares to its directors in accordance with the Stock Option Plan. In addition, the Resulting Issuer intends to implement a stipend to the directors to compensate them for the services rendered to the Resulting Issuer by them in that capacity. Such amounts will be commensurate with the industry standards and will reflect the responsibilities and risks involved in being a director of the Resulting Issuer after completion of the Proposed Qualifying Transaction. At this time neither the Company nor Irri-Al-Tal have determined the level of compensation that is appropriate in this regard and will make this determination after completion of the Proposed Qualifying Transaction.

Escrowed Securities of the Resulting Issuer

An aggregate of 500,000 Pre-Consolidation Shares are held in escrow as CPC Escrow Shares with the Escrow Agent under the provisions of the CPC Escrow Agreement. Following completion of the Proposed Qualifying Transaction all such 500,000 Common Shares will continue to be held in escrow with the Escrow Agent. In addition, the Company and Irri-Al-Tal expect that 59,068,390 of the Common Shares issued to Irri-Al-Tal Shareholders will be subject to

escrow as a result of the Proposed Qualifying Transaction, including 59,126,864 Common Shares issued to Principals of the Resulting Issuer.

CPC Escrow Agreement

The following table sets out, as of the date hereof and to the knowledge of the Company and Irri-Al-Tal, the name of the securityholders whose Common Shares will continue to be subject to the CPC Escrow Agreement.

		Prior to Giving Effect to the Proposed Qualifying Transaction and Consolidation		After giving effect to the Proposed Qualifying Transaction and Consolidation	
Name and place of residence of shareholder	Designation of class	Number of securities held in escrow	Percentage of class	Number of securities held in escrow ⁽¹⁾⁽²⁾	Percentage of class ⁽¹⁾⁽²⁾
Robin Sundstrom Toronto, Ontario	Common Shares	62,500	1.49%	41,766	0.04%
Gary Hokkanen Thornhill, Ontario	Common Shares	50,000	1.19%	33,413	0.03%
Maurice Colson Toronto, Ontario	Common Shares	75,000	1.79%	50,119	0.05%
Thomas Vukovich Unionville, Ontario	Common Shares	125,000	2.98%	83,532	0.08%
Christopher Hodgson Markham, Ontario	Common Shares	125,000	2.98%	83,532	0.08%
Gerald Goldberg Thornhill, Ontario	Common Shares	62,500	1.49%	41,766	0.04%
		675,000		334,129	

Notes:

- (1) Percentage calculated assuming completion of the Minimum Offering. This amount does not reflect the release of 10% of the CPC Escrow Shares from escrow upon receipt of the Final Exchange Bulletin.
- (2) Assumes that no Common Shares are purchased by these shareholders under the Offering, including without limitation the Over-Allotment Option, if exercised by the Agent.

Under the CPC Escrow Agreement, 10% of the CPC Escrow Shares will be released from escrow on the date of issuance of the Final Exchange Bulletin and an additional 7.5% will be released on each of the dates which are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the release of the Final Exchange Bulletin.

If the Resulting Issuer meets the Exchange's Tier 1 listing requirements either at the time the Final Exchange Bulletin is issued or subsequently, the release of the CPC Escrow Shares will be accelerated. An accelerated escrow release will not commence until the Resulting Issuer has made application to the Exchange for listing as a Tier 1 issuer and the Exchange has issued a bulletin that announces the acceptance for listing of the Resulting Issuer on Tier 1 of the Exchange.

The Exchange's prior consent must be obtained before a transfer within escrow of CPC Escrow Shares. Generally, the Exchange will only permit a transfer within escrow to be made to incoming Principals in connection with a proposed Qualifying Transaction.

QT Escrow Agreement

In addition to the CPC Escrow Shares held in escrow as set out above, all of the Common Shares to be issued to Principals of the Resulting Issuer and certain other individuals as determined by the Exchange, will be subject to escrow restrictions, unless otherwise determined by the Exchange. Those Irri-Al-Tal shareholders who will be Principals of the Resulting Issuer, in addition to certain other individuals as determined by the Exchange, upon

completion of the Proposed Qualifying Transaction will have a certain number of the securities of the Resulting Issuer held by them subject to the terms of the QT Escrow Agreement.

The QT Escrow Agreement restricts the ability of the Principals and certain other individuals to deal with the QT Escrow Shares while they are in escrow. The QT Escrow Agreement provides that the escrowed Common Shares shall not be sold, assigned, hypothecated, transferred within escrow or otherwise dealt with in any manner without the written consent of the Exchange. An entity, controlled by one or more persons, that holds escrowed Common Shares, may not participate in a transaction that results in a change of its control or a change in the economic exposure of the persons to the risks of holding escrowed Common Shares.

Generally, if at least 75% of the securities issued pursuant to the Proposed Qualifying Transaction are Value Securities, then all the securities issued to Principals of the Resulting Issuer pursuant to the Proposed Qualifying Transaction will be deposited into escrow pursuant to a value security escrow agreement ("**Value Security Escrow Agreement**"). Value Securities are securities issued pursuant to a transaction for which the deemed value of the securities at least equals the value ascribed to the asset, using a valuation method acceptable to the Exchange, or securities that are otherwise determined by the Exchange to be Value Securities and required to be placed in escrow under a Value Security Escrow Agreement. However, if at least 75% of the securities issued pursuant to the Proposed Qualifying Transaction are not Value Securities, all securities issued pursuant to the Proposed Qualifying Transaction will be deposited into a surplus security escrow agreement ("**Surplus Security Escrow Agreement**").

All Common Shares subject to escrow restrictions which are held by persons who are not Principals of the Resulting Issuer, will be subject to a Value Security Escrow Agreement, and all Common Shares which are held by persons who will be a Principal of the Resulting Issuer will be subject to a Surplus Security Escrow Agreement.

The principal distinction between a Value Security Escrow Agreement and a Surplus Security Escrow Agreement is the time period for release of securities from escrow. In the case of an issuer that will be a Tier 2 issuer when the Final Exchange Bulletin is issued, the Value Security Escrow Agreement provides for a three-year escrow release mechanism with 10% of the escrowed securities being releasable at the time of the Final Exchange Bulletin, and 15% of the escrowed securities being releasable every 6 months thereafter, on each of the 6, 12, 18, 24, 30 and 36 month anniversaries of the Final Exchange Bulletin. In the case of an issuer that will be a Tier 2 issuer, when the Final Exchange Bulletin is issued, the Surplus Security Escrow Agreement provides for a three year escrow release mechanism with 5% of the escrowed securities releasable at the time of the Final Exchange Bulletin, 5% on the date which is 6 months after the Final Exchange Bulletin, 10% on each of the dates which are 12 and 18 months after the Final Exchange Bulletin, 15% on each of the dates which are 24 and 30 months after the Final Exchange Bulletin and 40% on the date which is 36 months after the Final Exchange Bulletin.

In the case of an issuer that will be a Tier 1 issuer when the Final Exchange Bulletin is issued, the Value Security Escrow Agreement provides for an 18-month escrow release mechanism with 25% of the escrowed securities being releasable at the time of the Final Exchange Bulletin, with 25% of the escrowed securities being releasable every 6 months thereafter. In the case of an issuer that will be a Tier 1 issuer when the Final Exchange Bulletin is issued, the Surplus Security Escrow Agreement provides for an 18 month escrow release mechanism with 10% of the escrowed securities being releasable upon the issuance of the Final Exchange Bulletin, 20% on the date which is 6 months after the Final Exchange Bulletin, 30% on the date which is 12 months after the Final Exchange Bulletin and 40% on the date which is 18 months after the Final Exchange Bulletin.

The following table lists the names of beneficial owners of the securities that will be subject to either the Value Security Escrow Agreement or Surplus Security Escrow Agreement, as applicable, and the number of securities held by each:

Name and place of residence of shareholder	Designation of class	After Giving Effect to the Securities Exchange and Offering ⁽²⁾					
		Minimum Offering ⁽¹⁾		Maximum Offering ⁽¹⁾		Maximum Offering and Over-Allotment exercised in full ⁽¹⁾	
		Number of securities held in escrow	Percentage of class ⁽²⁾	Number of securities held in escrow	Percentage of class ⁽²⁾	Number of securities held in escrow	Percentage of class ⁽²⁾
Ohad Haber <i>Givat Elah, Israel</i>	Common Shares	57,000,000	61.16%	57,000,000	56.04%	57,000,000	54.67%
Ronnie Jaegermann⁽³⁾ <i>Tel-Aviv, Israel</i>	Common Shares	1,012,800	1.09%	1,139,200	1.12%	1,177,120	1.13%
	Consideration Comp Options	93,094	11.64%	93,094	11.64%	93,094	11.64%
Adam Szweras <i>Thornhill, Ontario</i>	Common Shares	962,961	1.03%	962,961	0.95%	962,961	0.92%
	Consideration Warrants	129,872	2.60%	129,872	2.60%	129,872	2.60%
Total Common Shares		58,444,205	64.0%	58,570,605	58.9%	58,608,525	57.5%
Total Consideration Warrants		129,872	1.44%	129,872	1.44%	129,872	1.44%

Note:

- (1) Assumes that no Common Shares are purchased by any of the Insiders under the Offering or the Concurrent Private Placement.
- (2) Assuming that the Concurrent Private Placement is fully subscribed and assuming that none of the securityholders above subscribe to the Offering or the Concurrent Private Placement
- (3) Held in the name of Zermatok Marketing Management and Financial Consulting Ltd., a corporation controlled by Mr. Jaegermann.

Transfer of Escrow Shares

Where escrowed Common Shares are to be held by a company, such company will be required to agree not to carry out, while its escrowed Common Shares are in escrow, any transaction that would result in the change of control of the company. Any such company will be required to further undertake to the Exchange that, to the extent reasonably possible, it will not permit or authorize any issuance of securities or transfer of securities which could reasonably result in a change of control of the company.

All holders of escrowed Common Shares must obtain Exchange consent to transfer Common Shares then subject to escrow, other than in specified circumstances set out in the applicable escrow agreement.

Listing

The Company has applied to list the following securities on the Exchange: (i) the Common Shares which form part of the Units; (ii) the Common Shares issuable upon exercise of the Unit Warrants which form part of the Units; (iii) the Common Shares issuable upon exercise of the Broker Warrants; (iv) the Common Shares issuable upon exercise of the Consideration Warrants; (v) the Common Shares issuable upon exercise of Consideration Finder's Warrant; (vi) Common Shares issued as a part of the Stock Success Fees, and (vii) Common Shares to be issued pursuant to the Securities Exchange Agreement. Listing will be subject to the Company fulfilling all of the listing requirements of the Exchange.

Risk Factors

The Resulting Issuer's business will face numerous financial and market risks, including those described below, as well as general economic and business risks. The following discussion provides information concerning the material risks and uncertainties that the Company and Irri-Al-Tal have identified and believe may adversely affect the Resulting Issuer's business, financial condition and results of operations.

Before an investor decides whether to invest in the Resulting Issuer's securities, the following risks and uncertainties should be considered; together with all of the other information included in this Prospectus and in the Company's other public filings.

Upon completion of the Proposed Qualifying Transaction, there are a number of risks that may have a material and adverse impact on the future operating and financial performance of the Resulting Issuer and could cause its operating and financial performance to differ materially from the estimates described in forward-looking statements related to the Resulting Issuer, as the case may be. These include widespread risks associated with any form of business and

specific risks associated with the Resulting Issuer's business. An investment in the Common Shares, as well as the Resulting Issuer's prospects, are speculative due to the competitive nature of its business and the present stage of its operations. Shareholders of the Company may lose their entire investment. The risks described below are not the only ones facing the Company. Additional risks not currently known to Irri-Al-Tal, or that Irri-Al-Tal currently deems immaterial, may also impair the Company's business or operations. If any of the following risks occur, the Company's prospects, business, financial condition or results of operations could be adversely affected.

Risks Related to the Business of the Resulting Issuer

New Business Areas and Geographic Markets, and the Resulting Issuer's Ability to Implement the Business Strategy in those Markets

The Resulting Issuer's growth strategy is dependent upon expanding its product and service offerings into new business areas or new geographic markets. There can be no assurance that these new business areas and geographic markets will generate the anticipated clients and revenue. In addition, any expansion into new business areas or geographic markets could expose the Resulting Issuer to new risks, including compliance with applicable laws and regulations, changes in the regulatory or legal environment; different customer preferences or habits; adverse exchange rate fluctuations; adverse tax consequences; differing technology standards or end-user requirements and capabilities; difficulties staffing and managing foreign operations; infringement of third-party intellectual property rights; the cost of localising software (including translations) or otherwise adapting its products and services for new markets; difficulties collecting accounts receivable; or difficulties associated with repatriating cash generated or held abroad in a tax-efficient manner.

The Resulting Issuer expects that almost all of its future revenue will be derived from its business operations outside of Israel. Execution of this business strategy is subject to a variety of risks, including operating and technical problems, regulatory uncertainties and possible delays. Operating in different international regions, could mean that revenues earned from customers may decrease in the future for a variety of reasons, including increased competition and new entrants into geographic markets in which the Resulting Issuer operates or intends to operate. Depending on the countries involved, any or all of the foregoing factors could have a Material Adverse Effect on Resulting Issuer's business, financial condition and results of operations.

The growth and expansion of the Resulting Issuer's business is heavily dependent upon the successful implementation of the Resulting Issuer's business strategy. There can be no assurance that the Resulting Issuer will be successful in the implementation of its business strategy. These factors could cause the Resulting Issuer's expansion into new business areas or geographic markets to be unsuccessful or less profitable than its existing markets or could cause the Resulting Issuer's operating costs to increase unexpectedly or its sales to decrease, any of which could have a Material Adverse Effect on the Resulting Issuer's prospects, business, financial condition or results of operations. In addition, there can be no assurance that laws or administrative practices relating to taxation, foreign exchange or other matters in countries within which the Resulting Issuer intends to operate will not change. Any such change could have a Material Adverse Effect on the Resulting Issuer's business, financial condition and results of operations.

Dependence on Key Personnel and Employees

The success of the Resulting Issuer is dependent on the services and performance of key executives, including the directors of the Resulting Issuer and a small number of highly skilled and experienced executives and personnel. The Resulting Issuer strongly depends on the business and technical expertise of its management and key personnel. Due to the size of the Resulting Issuer, the loss of any of these individuals or the Resulting Issuer's inability to attract and retain additional highly skilled employees may adversely affect its business and future operations.

The Resulting Issuer's proposed key people, including, Ohad Haber, Meira Zada, Amir Eylon, Tomer Bachar and Ronnie Jaergermann, make significant contributions to the Resulting Issuer and its continued success will be dependent upon the retention of these directors, executive officers and employees, as well as the services provided by the Resulting Issuer's sales and administrative staff, and a number of other key managerial, marketing, planning, financial, technical and operations personnel. The loss of such key personnel could have a Material Adverse Effect on the Resulting Issuer's business. In addition, the Resulting Issuer's ability to grow its business is dependent, to a large degree, on the Resulting Issuer's ability to retain such employees and there can be no assurance that the Resulting

Issuer will be able to engage the services of such personnel or retain its current personnel given the high competition for highly skilled technical, research and development, management and other employees.

Credit Risk

Credit risk is the risk of financial loss to the Resulting Issuer if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Resulting Issuer's receivables from customers. Resulting Issuer's exposure to credit risk is influenced by the individual characteristics of each customer. Although the Resulting Issuer establishes an allowance for doubtful accounts that represents its estimate of potential credit losses in respect of accounts receivables and historically has not experienced any significant losses related to individual customers or groups of customers in any particular geographical area, there is no assurance that the allowance for doubtful accounts will be sufficient to cover credit losses in the future and future credit losses could have a Material Adverse Effect on the Resulting Issuer's prospects, business, financial condition and results of operations. Furthermore, since the Resulting Issuer's principal office is located in the State of Israel, there is additional credit risk associated with an Israeli company doing business in foreign jurisdictions, which in some cases have volatile social, political and economic environments. See *"Information Concerning the Resulting Issuer – Risk Factors – Potential Political, Economic and Military Instability in Middle East and Israel, where the Resulting Issuer's Corporate Office is Located"* and *"Information Concerning the Resulting Issuer - Risk Factors – New Business Areas and Geographic Markets and the Resulting Issuer's Ability to Implement the Business Strategy in those Markets"*.

Inability to Manage Rapid Growth and Retain its Customers

The Resulting Issuer's business plan envisages further growth in its revenue and customer base. The Resulting Issuer's limited operating history has not to date managed such growth. The Resulting Issuer will likely need to expand and upgrade the reliability and scalability of the Resulting Issuer's transaction processing systems, network infrastructure and other aspects of the Resulting Issuer's technology. The Resulting Issuer may not be able to expand and upgrade its personnel, technology systems and infrastructure to accommodate increases in the Resulting Issuer's business activity in a timely manner, which could lead to operational breakdowns and delays, loss of customers, a reduction in the growth of the Resulting Issuer's customer base, increased operating expenses, financial losses, increased litigation or customer claim.

In addition, due to the Resulting Issuer's planned rapid growth, the Resulting Issuer will need to continue to attract, hire and retain highly skilled and motivated officers and employees. The Resulting Issuer may not be able to attract or retain the officers and employees necessary to manage this growth effectively.

Foreign Operations

The Resulting Issuer relies on international sales of its products in Latin America, Asia, Africa and Middle East and the Resulting Issuer expects to do so to a greater extent in the future as it continues to expand its business. There are a number of risks inherent in the Resulting Issuer's international activities, including: unexpected changes in governmental policies in Israel or project locations concerning the import and export of goods; services and technology and other regulatory requirements; tariffs and other trade barriers; costs and risks of localizing products for foreign languages; longer accounts receivable payment cycles; limits on repatriation of earnings; the burdens of complying with a wide variety of foreign laws; and difficulties supervising and managing local personnel. As such, the Resulting Issuer's operations may be adversely affected by changes in foreign government policies and legislation or social instability and other factors which are not within the control of the Resulting Issuer, including, but not limited to, changes in regulatory requirements, economic sanctions, risk of terrorist activities, revolution, border disputes, implementation of tariffs and other trade barriers and protectionist practices, volatility of financial markets, labour disputes and other risks arising out of foreign governmental sovereignty over the areas in which the Resulting Issuer's operations are conducted. Laws and policies of Israel and such foreign jurisdictions affecting foreign trade, taxation and investment may have a Material Adverse Effect on the Resulting Issuer's operations.

If the Resulting Issuer's operations are disrupted and/or the economic integrity of its contracts is threatened for unexpected reasons, its business may be harmed. In the event of a dispute arising in connection with Resulting Issuer's operations in a foreign jurisdiction where the Resulting Issuer does conduct or will conduct its business, the Resulting Issuer may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign

persons to the jurisdictions of the courts of Canada or enforcing Canadian judgments in such other jurisdictions. The Resulting Issuer may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. Accordingly, the Resulting Issuer's activities in foreign jurisdictions could be substantially affected by factors beyond their control, any of which could have a Material Adverse Effect on the Resulting Issuer. The Resulting Issuer believes that its management and the proposed management of the Resulting Issuer are sufficiently experienced to reduce these risks.

Liquidity Risk

Liquidity risk is the risk that the Resulting Issuer will not be able to meet its financial obligations as they fall due. The Resulting Issuer's approach to managing liquidity is to ensure it will always have sufficient liquidity to meet its liabilities when due, under both normal and distressed conditions, without incurring unacceptable losses or risking damage to the Resulting Issuer's reputation. There is no assurance that the Resulting Issuer's approach to managing liquidity will prove successful and should the Resulting Issuer be unable to meet its liabilities when due it could have a Material Adverse Effect on the Resulting Issuer's prospects, business, financial condition and results of operations.

Competition

The Resulting Issuer operates in competitive environments that include its customers' internal capabilities. Management believes that the principal competitive factors in its markets include technological strength, speed and flexibility in responding to design or schedule changes, price, quality, delivery, cost management and financial strength. The Resulting Issuer's earnings could decline if its competitors or customers can provide comparable speed and quality at a lower cost, or if the Resulting Issuer fails to adequately invest in the range and quality of services and products its customers require. Some of the Resulting Issuer's competitors, as compared to the Resulting Issuer, are larger and have greater financial and organizational resources, geographic breadth and range of services, customer bases and brand recognition than the Resulting Issuer. As a result, the Resulting Issuer's competitors may respond more quickly to technological changes or customer needs, consume lower fixed and variable unit costs, and obtain better terms for financing growth. If the Resulting Issuer fails to compete in any of these areas, it may lose market share and its business could be seriously harmed. There can be no assurance that the Resulting Issuer will not experience increased competition or that the Resulting Issuer will be able to maintain its profitability if its competitive environment changes.

The Resulting Issuer's commercial success depends upon its ability to develop new or improved services, technologies and products, and to successfully obtain or acquire patent or other proprietary or statutory protection for these technologies and products in Israel and other countries.

The Resulting Issuer relies on, among other things, trade secrets, confidentiality procedures and contractual provisions to protect its proprietary rights. While the Resulting Issuer enters into confidentiality and non-disclosure agreements with its employees, consultants, customers and potential customers to attempt to limit access to and distribution of proprietary and confidential information, it is possible that:

- some or all of its confidentiality and non-disclosure agreements will not be honoured;
- third parties will independently develop equivalent technology or misappropriate the Resulting Issuer's technology or designs;
- disputes will arise with the Resulting Issuer's strategic partners, customers or others concerning the ownership of intellectual property;
- unauthorized disclosure or use of the Resulting Issuer's intellectual property, including source code, know-how or trade secrets will occur; or
- contractual provisions may not be enforceable.

The Resulting Issuer's competitors will range from small venture backed enterprises with limited resources to multi-national technology companies with larger customer bases, more established name recognition and substantially greater financial, marketing, technological and personnel resources than the Resulting Issuer will have. These larger and better capitalized competitors may have access to capital in greater amounts and at lower costs than the Resulting Issuer will have, and thus, may be better able to respond to changes in the irrigation market, to compete for skilled professionals, to finance acquisitions, to fund internal growth and to compete for market share generally. Access to

capital is critical to grow the Resulting Issuer's business particularly in the early stages. Access to capital determines the degree to which the Resulting Issuer can expand the Resulting Issuer's operations. Thus, if the Resulting Issuer is unable to maintain or increase the Resulting Issuer's capital on competitive terms, the Resulting Issuer could be at a significant competitive disadvantage, and the Resulting Issuer's ability to maintain or increase the Resulting Issuer's revenue and earnings could be materially impaired. Also, new or existing competitors in the Resulting Issuer's markets could make it difficult for the Resulting Issuer to grow its current market share in desirable markets. In addition, the Resulting Issuer's competitors could offer their products and services at lower prices, and the Resulting Issuer may be required to reduce the Resulting Issuer's fees significantly to remain competitive. A fee reduction without a commensurate reduction in expenses would decrease the Resulting Issuer's planned profitability. The Resulting Issuer may not be able to compete effectively against these companies, particularly those with greater financial resources, and the Resulting Issuer's failure to do so could materially and adversely affect the Resulting Issuer's business, financial condition and results of operations and cash flows. The Resulting Issuer may in the future face increased competition, resulting in narrowing bid/offer spreads which could materially adversely affect the Resulting Issuer's business, financial condition and results of operations and cash flows.

Lack of Revenue Growth

The cost structure of the Resulting Issuer will be largely fixed. The Resulting Issuer bases its cost structure on expected levels of demand for the Resulting Issuer's products as well as its fixed operating infrastructure. If the Resulting Issuer fails to grow the demand for its products and services, it may not be able to adjust its cost structure on a timely basis and its profitability may be materially adversely affected.

Limited Number of Customers

The Resulting Issuer's revenues in the Projects Business Unit are currently generated primarily from a limited number of customers, however the Resulting Issuer is not substantially dependent on any one customer or contract. The Resulting Issuer's customers in the unit are, or are expected to be, generally small and medium-sized agricultural operators located in emerging markets and are subject to an unpredictable business and operating environment. This means that, if several of the Resulting Issuer's customers cease doing business with the Resulting Issuer or for other reasons significantly reduce the scope of their projects with the Resulting Issuer, the Resulting Issuer's business, financial condition and performance could suffer.

In addition, the Resulting Issuer's customers and distributors in its Components and Equipment Sales Unit are not expected to make long-term commitments to the Resulting Issuer regarding purchase volumes and purchases are typically made by one-time purchase orders. Furthermore, there can be no assurance that any of the Resulting Issuer's customers or distributors in the Component and Equipment Sales Unit will not significantly reduce the amount of their purchases, default on, delay or dispute payment of, or seek to reject the Resulting Issuer's outstanding invoices, favour competitors or new entrants, or compete with the Resulting Issuer by expanding their private label product lines. If any of the foregoing developments were to arise, there could be a Material Adverse Effect on the Resulting Issuer's business, financial condition and results of operations.

Defects in Products and Services

The Resulting Issuer's products and services are highly complex and sophisticated and may contain design defects or errors that are difficult to detect and correct. Defects found in the Resulting Issuer's new products or services could delay commercial release for an extended period of time. Errors or defects may be found in new products or services after launch and, even if discovered, the Resulting Issuer may not be able to successfully correct such errors or defects in a timely manner or at all. The occurrence of errors and failures in the Resulting Issuer's products or services could result in loss of or delay in end user acceptance of its products or services and may harm the Resulting Issuer's reputation. Correcting such errors and failures in its products or services could require significant expenditures by the Resulting Issuer, involving cost or time and effort of personnel which cannot be recovered from others (i.e. OEM, or insurance). The consequences of such errors, failures and claims could have a Material Adverse Effect on the Resulting Issuer's prospects, business, financial condition or results of operations. Furthermore, since the OEMs may be larger or better capitalized than the Resulting Issuer, the Resulting Issuer may practically have limited recourse against the OEMs from which the Resulting Issuer procures the products and any potential claims may be difficult to prove or to enforce.

The Resulting Issuer may be Unable to Respond to Customers' Demands

New products provided by the Resulting Issuer's competitors may render the Resulting Issuer's existing products less competitive. The Resulting Issuer's future success will depend, in part, on the Resulting Issuer's ability to respond to customers' demands for new products on a timely and cost-effective basis and to address the increasingly sophisticated requirements and varied needs of the Resulting Issuer's customers and prospective customers. The Resulting Issuer may not be successful in developing, introducing or marketing new products. In addition, the Resulting Issuer's new product enhancements may not achieve market acceptance. Any failure on the Resulting Issuer's part to anticipate or respond adequately to customer requirements or changing industry practices, or any significant delays in the development, introduction or availability of new products or product enhancements could have a Material Adverse Effect on the Resulting Issuer's business, financial condition and results of operations and cash flows.

Operational and Financial Infrastructure

The Resulting Issuer is subject to growth-related risks, capacity constraints and pressure on its internal systems and controls, as well as control and monitoring of marketing activities of the Resulting Issuer's sales agents in other countries. The ability of the Resulting Issuer to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base of 16 employees. The Resulting Issuer intends to expand its employee base after completion of the Offering, and this expansion may require the Resulting Issuer to commit financial, operational and technical resources in advance of an increase in the size of the business, with no assurance that the volume of business will increase or that such initiatives to improve and upgrade its systems and infrastructure will be successful. The inability to deal with this growth or any failure in these initiatives could have a Material Adverse Effect on the Resulting Issuer's prospects, business, financial condition or results of operations.

Uncertain Economic Health of the Wider Economy

The Resulting Issuer's revenue streams are dependent on the overall macro-economic environment. Current and future conditions in the domestic and global economies remain uncertain. Accordingly, adverse developments in the macro-economic environment could substantially reduce the funds spent on the products and services offered by the Resulting Issuer and have a Material Adverse Effect on the Resulting Issuer's prospects, business, financial condition or results of operations.

Demand for the Resulting Issuer's products are influenced by general economic and consumer trends beyond the Resulting Issuer's control. There can be no assurance that the Resulting Issuer's business and corresponding financial performance will not be adversely affected by general economic or consumer trends. In particular, global economic conditions are still tight, and if such conditions continue, recur or worsen, there can be no assurance that they will not have a Material Adverse Effect on the Resulting Issuer's business, financial condition and results of operations.

Furthermore, such economic conditions may produce downward pressure on stock prices and have produced such pressure on the availability of credit from financial institutions for the Resulting Issuer. If these levels of market disruption and volatility continue, the Resulting Issuer might experience reductions in business activity, increased funding costs and funding pressures (as applicable), a decrease in the market price of its shares, a decrease in asset values, write-downs and impairment charges and lower profitability.

Currency Fluctuations

The Resulting Issuer's functional currency is Israeli New Shekel but an increasing proportion of the Resulting Issuer's revenue may be earned and expenses may be incurred in other currencies, including the USD. See "*New Business Areas and Geographic Markets and the Resulting Issuer's Ability to Implement the Business Strategy in Those Markets*". The movement of any of these currencies against the Israeli New Shekel or USD could have a Material Adverse Effect on the Resulting Issuer's prospects, business, financial condition and results of operations. As the Resulting Issuer continues to expand the Resulting Issuer's international operations, the Resulting Issuer becomes more exposed to the effects of fluctuations in currency exchange rates.

Potential Political, Economic and Military Instability in Middle East and Israel, where the Resulting Issuer's Corporate Office are Located

The Resulting Issuer's principal corporate offices and principal research and development facilities are located in Israel. Accordingly, political, economic and military conditions in and surrounding Israel may directly affect its business. Since the State of Israel was established in 1948, a number of armed conflicts have occurred between Israel and its neighbors. Terrorist attacks and hostilities within Israel; the hostilities between Israel and Hezbollah and between Israel and Hamas; the conflict between Hamas and Fatah; as well as tensions between Israel and Iran, have also heightened these risks, including extensive hostilities in November 2012 and from July to August 2014 along Israel's border with the Gaza Strip, which resulted in missiles being fired from the Gaza Strip into Israel. There can be no assurance that attacks launched from the Gaza Strip will not reach our facilities, which could result in a significant disruption of our business. In addition, there are significant ongoing hostilities in the Middle East, particularly in Syria and Iraq, which may impact Israel in the future. Any hostilities involving Israel, a significant increase in terrorism or the interruption or curtailment of trade between Israel and its present trading partners, or a significant downturn in the economic or financial condition of Israel, could materially adversely affect the Resulting Issuer's operations. Ongoing and revived hostilities or other Israeli political or economic factors could have a Material Adverse Effect on the Resulting Issuer's business, operating results and financial condition.

It is unknown as to how the volatile climate currently hinders Israel's international trade relations and whether they still may limit the geographic markets where the Resulting Issuer can operate. Any resumption of hostilities involving Israel or threatening Israel, or the interruption or curtailment of trade between Israel and its present trading partners, could have a Material Adverse Effect the Resulting Issuer's operations albeit that there is no direct evidence of this having been the case over the past conflicts. Security and political instability in the Middle East and Israel in particular may harm the Resulting Issuer's business. A majority of the Resulting Issuer's staff, as well as its research and development facilities, are located in Israel. Accordingly, security and political conditions in the Middle East in general, and in Israel in particular, could directly affect the Resulting Issuer's business. Any armed conflicts or political instability in the region, including acts of terrorism or any other hostilities involving or threatening Israel could have a negative effect on business conditions and could make it more difficult for the Resulting Issuer to conduct its operations in Israel and/or increase its costs and adversely affect its financial results. Furthermore, some neighbouring countries, as well as certain companies and organizations continue to participate in a boycott of Israeli firms and others who do business with Israel or with Israeli companies. However, generally this is not the case with the major corporations in the industry that deal with Israel. Restrictive laws, policies or practices directed towards Israel or Israeli businesses could have an adverse impact on the expansion of the Resulting Issuer's business. These factors may also adversely affect the Resulting Issuer's ability to conduct business in its Project Financing Sub-Unit as any deterioration in international trade relations may affect the security of the letters of credit as the Resulting Issuer may have difficulty enforcing its rights under the letters of credit with its counterparties located in foreign jurisdictions.

The Resulting Issuer's operations could be disrupted by the absence for significant periods of one or more of its senior management, key employees or a significant number of other employees because of military service. A number of the Resulting Issuer's senior management and the majority of its male employees in Israel under the age of 45 are obliged to perform military reserve duty, which accumulates annually from several days to up to two months in special cases and circumstances. The length of such reserve duty depends, among other factors, on an individual's age and prior position in the military. In addition, if a military conflict occurs, these persons could be required to serve in the military for extended periods of time. Any disruption in the Resulting Issuer's operations as the result of military service by key personnel could harm its business.

Recent uprisings and armed conflicts in various countries in the Middle East and North Africa are affecting the political stability of those countries. This instability may lead to deterioration of the political and trade relationships that exist between the State of Israel and these countries.

Reduction of Project Backlog

The Resulting Issuer cannot guarantee that the dollar value estimated in its current project backlog will be realized or, if realized, will result in profits. Projects may remain in Resulting Issuer's backlog for an extended period of time. In addition, project cancellations or scope adjustments may occur from time-to-time with respect to contracts reflected

in Resulting Issuer's backlog. Backlog reductions adversely affect the revenue and profit that the Resulting Issuer actually receives from contracts reflected in its backlog. Future project cancellations and scope adjustments could further reduce the dollar amount of the Resulting Issuer's backlog and the revenues and profits that the Resulting Issuer actually receives. Some of the of the Resulting Issuer's contracts for professional services with its clients are terminable by the clients on short notice. If a reduction in the Resulting Issuer's backlog occurs, the Resulting Issuer could incur costs resulting from reductions in staff that would have the effect of reducing its profits.

Reliance on Independent Manufacturing Companies for Supply of Products

Loss of Resulting Issuer's relationships with OEMs on which it relies for the manufacture of its products could have a Material Adverse Effect on the Resulting Issuer's operations. As a result of the Resulting Issuer's key manufacturers, funding, supply chain, technical, and/or other difficulties experienced by the OEMs could adversely affect the Resulting Issuer's ability to deliver its products to its customers on time. Any significant delivery delays could negatively impact the Resulting Issuer's future revenue and may have a Material Adverse Effect on the business, financial position or results of operations of the Resulting Issuer. In addition, it is possible that the OEMs may face high demand for their products and not be able to supply the Resulting Issuer with the products that it needs, and/or when it needs them. Trade barriers, such as tariffs imposed by governments on import, also have the potential to disrupt the Resulting Issuer's supply chain, necessitating the Resulting Issuer to find other suppliers on short notice. Such tariffs could also impose additional costs on the Resulting Issuer, negatively impacting its profitability.

The Resulting Issuer's exclusive sourcing from the OEMs also exposes the Resulting Issuer to risks, including:

- political instability, civil unrest and economic instability;
- currency fluctuations;
- limitations on the repatriation of capital;
- greater difficulty enforcing intellectual property rights and weaker laws protecting such rights;
- natural disasters and greater difficulty and expense in recovering from them;
- changes in governmental policies;
- changes in international labour costs, labour strikes disruptions or lock-outs;
- difficulties in moving materials and products from one country to another, including port congestion, strikes and other transportation delays and interruptions;
- difficulties in controlling the quality of raw materials and components used to manufacture the Resulting Issuer's products, which may lead to public health and other concerns regarding its products; and
- potential challenges to the Resulting Issuer's transfer pricing determinations and other aspects of its cross-border transactions which may impact income tax expense.

Due to the Resulting Issuer's reliance on the sourcing of materials from Israeli companies, its business, financial condition and performance could be significantly and materially harmed if any of the risks described above were to occur. As most of OEMs that the Resulting Issuer deals with are based in Israel, they may be subject to additional risks that Israeli-based companies are subject to generally. See *"Information Concerning the Resulting Issuer – Risk Factors – Potential Political, Economic and Military Instability in Middle East and Israel, where the Resulting Issuer's Corporate Office is Located"*.

Crime and Business Corruption Risk

The Resulting Issuer conducts business in regions which have experienced high levels of business corruption and other criminal activity. The Resulting Issuer and its personnel are required to comply with applicable anti-bribery laws, including the *Canadian Corruption of Foreign Public Officials Act*, as well as local laws in all areas in which the Resulting Issuer does business. These, among other things, include laws in respect of the monitoring of financial transactions and provide a framework for the prevention and prosecution of corruption offences, including various restrictions and safeguards. However, there can be no guarantee that these laws will be effective in identifying and preventing money laundering and corruption. The failure of some of the governments where the Resulting Issuer does business to fight corruption or the perceived risk of corruption could have a Material Adverse Effect on the local economies. Any allegations of corruption or evidence of money laundering in those countries could adversely affect ability of those countries to attract foreign investment and thus have a Material Adverse Effect on its economy which

in turn could have a Material Adverse Effect on the Resulting Issuer's business, results of operations, financial condition and prospects. Moreover, findings against the Resulting Issuer, the directors, the officers or the employees of the Resulting Issuer, or their involvement in corruption or other illegal activity could result in criminal or civil penalties, including substantial monetary fines, against the Resulting Issuer, the directors, the officers or the employees of the Resulting Issuer. Any government investigations or other allegations against the Resulting Issuer, the directors, the officers or the employees of the Resulting Issuer, or finding of involvement in corruption or other illegal activity by such persons, could significantly damage the Resulting Issuer's reputation and its ability to do business and could have a Material Adverse Effect its financial condition and results of operations. The Reporting Issuer has addressed controls on a number of these matters "*Information Concerning the Resulting Issuer – Corporate Governance Disclosure.*"

Components

The Resulting Issuer obtains its raw materials, component parts, and finished products from multiple vendors. The Resulting Issuer requires access to various parts, components, and raw materials at competitive prices to assemble products within its component business segment. Changes in the availability and price of these parts, components, and raw materials, which have changed significantly and rapidly at times and are affected by factors like demand and freight costs, can significantly increase the costs of production. Due to price competition in the market for irrigation equipment and certain infrastructure products, the Resulting Issuer may not be able to recoup increases in these costs through price increases for its products, which would result in reduced profitability. Whether increased operating costs can be passed through to the customer depends on several factors, including farm income and the price of competing products. Further, the Resulting Issuer relies on a limited number of suppliers for certain raw materials, parts and components in the manufacturing process. Disruptions or delays in supply or significant price increases from these suppliers could adversely affect the Resulting Issuer's operations and profitability. Such disruptions, terminations or cost increases could result in cost inefficiencies, delayed sales or reduced sales.

The Resulting Issuer reliance on third parties (including the OEMs and external consultants) for research and development may have a Material Adverse Effect on the Resulting Issuer's business, financial position and revenue. the Resulting Issuer relies on the OEMs and third-party consultants for the innovation and development of its products, including Precise Irrigation System. It is possible for these parties to terminate the relationship with the Resulting Issuer or supply a competitor with the same products it delivers to the Resulting Issuer, this may cause the Resulting Issuer to lose its competitive place in the market. The reliance on the OEMs for the supply and research and development of products poses a risk that may negatively impact the profitably and financial sustainability of the Resulting Issuer.

Rapid Technology Developments

The precise irrigation segment of the market that is targeted by the Resulting Issuer is characterized by rapid technological change, evolving industry standards, frequent new product introductions and short product life cycles. To keep pace with the technological developments, achieve product acceptance and remain relevant to users, the Resulting Issuer will need to continue developing new and upgraded functionality of its products and services and adapt to new business environments and competing technologies and products developed by its competitors. The process of developing new technology is complex and uncertain. To the extent the Resulting Issuer is not able to adapt to new technologies and/or standards, experiences delays in implementing adaptive measures or fails to accurately predict emerging technological trends and the changing needs of end-users, the Resulting Issuer may lose clients and/or fail to secure new clients. the Resulting Issuer has developed and is continuing to develop a number of products and services incorporating advanced technologies and it will pursue those products and services that it expects to have the best chance for success based on the Resulting Issuer's expectations of future market demand. The development and application of new technologies involve time, substantial costs and risks. There can be no certainty that the Resulting Issuer will be able to develop new products, services and technologies to keep up-to-date with developments and, in particular, to launch such products, services or technologies in a timely manner or at all. There can be no certainty that such products will be popular with end-users or that such products or new technologies will be reliable, robust and not susceptible to failure. Any of these factors could have a Material Adverse Effect on the Resulting Issuer's prospects, business, financial condition or results of operations.

Use of Proceeds of the Offering and Additional Funding Requirements

The Resulting Issuer currently intends to allocate the net proceeds received from the Offering and other available funds as described under "*Information Concerning the Resulting Issuer – Available Funds and Use of Proceeds*". However, management will have discretion in the actual application of the net proceeds and may elect to allocate net proceeds differently if they believe it would be in the Resulting Issuer's best interests to do so. Shareholders may not agree with the manner in which management chooses to allocate and spend the net proceeds. The failure by management to apply these funds effectively could have a Material Adverse Effect on the Resulting Issuer's business.

The Resulting Issuer's business will depend on the availability of adequate funding. Historically, the Resulting Issuer has satisfied these needs from internally generated funds. The Resulting Issuer currently anticipates that its available cash resources will be sufficient to meet the Resulting Issuer's anticipated working capital and capital expenditure plans for at least the next 12 months. The Resulting Issuer may need to raise additional funds to:

- support more rapid expansion;
- develop new or enhanced products;
- respond to competitive pressures;
- acquire complementary businesses, products or technologies; or
- respond to unanticipated requirements.

There can be no assurances that the Resulting Issuer will be able to obtain additional financial resources on favourable commercial terms or at all. Failure to obtain such financial resources could affect the Resulting Issuer's plan for growth or result in the Resulting Issuer being unable to satisfy its obligations as they become due, either of which could have a Material Adverse Effect on the business, results of operations and the financial condition of the Resulting Issuer.

Changes in Taxation

Changes in taxation rates or law, or misinterpretation of the law or any failure to manage tax risks adequately could result in increased charges, financial loss, including penalties and reputational damage, which could have a Material Adverse Effect on the Resulting Issuer's prospects, business, financial condition and results of operations.

The policy of the Resulting Issuer will be to manage and operate its business in a way that is intended to ensure that it is resident for tax purposes solely in the State of Israel and that it has no taxable permanent establishments or other taxable presence in any other jurisdiction. However, if the Resulting Issuer is found to be tax resident elsewhere by establishing offices in those jurisdictions, whether on the basis of existing law or the current practice of any tax authority or by reason of a change in law or practice, this may have a Material Adverse Effect on the overall amount of tax payable by the Resulting Issuer.

Risks Related to Intellectual Property Protection

Proprietary trade secrets and unpatented know-how are very important to the Resulting Issuer's business. Much of the technology used in the markets in which it competes is unprotected by patents, and the commercial success of the Resulting Issuer will depend primarily on its ability to obtain and maintain trade secret protection and confidentiality for the Resulting Issuer's products and methods. To compete in these markets, the Resulting Issuer relies primarily on a combination of trade secret protection, non-disclosure agreements and unregistered intellectual property to establish and protect proprietary intellectual property rights. The Resulting Issuer relies on trade secrets to protect certain aspects of its technology, especially where management does not believe that patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. The Resulting Issuer's employees, consultants, contractors, outside scientific collaborators and other advisors may unintentionally or willfully disclose confidential information to competitors, and confidentiality agreements and non-disclosure agreements may not provide an adequate remedy in the event of unauthorized disclosure of confidential or proprietary information. Enforcing a claim that a third party illegally obtained and is using trade secrets is expensive and time consuming, and the outcome is unpredictable, particularly so in certain foreign jurisdictions. Moreover, competitors of the Resulting Issuer may independently

develop equivalent knowledge, methods and know-how. Failure to obtain or maintain trade secret protection could adversely affect the Resulting Issuer's competitive business position. Where appropriate, the Resulting Issuer intends to rely on patented products and applications. Management will evaluate whether to seek patent protection for its products. The Resulting Issuer's ability to obtain patents is uncertain and the legal protection afforded by these patents is limited and may not adequately protect its rights or permit it to gain or keep any competitive advantage. It is also costly to apply for and maintain patents in multiple jurisdictions. In addition, the scope and enforceability of patent claims is highly uncertain due to the complex nature of the relevant legal, scientific and factual issues. Changes in either patent laws or interpretations of patent laws may diminish the value of the Resulting Issuer's intellectual property or narrow the scope of the Resulting Issuer's patent protection. Even if patents are issued relating to the Resulting Issuer's products and processes, competitors may challenge the validity of those patents. Patents also will not protect the Resulting Issuer's products and processes if competitors devise ways of making products without infringing such patents.

Environmental Risks and Hazards

The Resulting Issuer's operations are subject to various environmental laws which regulate matters such as health, safety, treatment of waste and land use. Failure to comply with applicable laws, regulations, and licensing requirements may result in enforcement actions. Penalties could include suspension or revocation of necessary licenses or permits, civil liability, or the imposition of fines. The cost of compliance, remediation, or liability could have a Material Adversely Effect on future operating results. Furthermore, the operational or financial impact of new or amended laws or regulations cannot be predicted and could have a Material Adverse Effect on the Resulting Issuer's financial condition and operating results.

Reliance on Collaborative Partners

The Resulting Issuer relies on Master Dealer Relationships, Dealer Relationships and other collaborative arrangements to provide services and to develop and commercialize some of its products or services in the future. There can be no assurance that the Resulting Issuer will be able to negotiate acceptable collaborative arrangements, that such collaborative arrangements will be successful or that the Resulting Issuer would not be required to relinquish certain material rights to its products or services. In addition, there can be no assurance that the Resulting Issuer's collaborative partners will not pursue alternative technologies or develop alternative products or services either on their own or in collaboration with others, including the Resulting Issuer's competitors. To the extent that the Resulting Issuer succeeds in entering into collaborative arrangements, it will be dependent on the efforts of third parties for the continued development of certain services or products.

Additionally, the Resulting Issuer employs agents and subcontractors as part of the delivery of the Resulting Issuer's services to its customers and as part of the development and commercialization of the Resulting Issuer's products. The ultimate liability for the performance of the agents or subcontractors lies with the Resulting Issuer. Further, the Resulting Issuer's business model is based on the distribution of its products and services by third parties. If these third parties are not successful in distributing the Resulting Issuer's products and services it could have a Material Adverse Effect on the Resulting Issuer's prospects, business, financial condition or results of operations.

Differences Between the Canadian Law and Applicable Provisions of the Israeli Law

The rights and responsibilities of the shareholders of the Resulting Issuer's principal subsidiary IAT are governed by Israeli law and differ in some respects from the rights and responsibilities of shareholders under Canadian law. IAT is incorporated under Israeli law. The rights and responsibilities of holders of IAT Shares (namely the Resulting Issuer) are, therefore, governed by the articles and by Israeli law. These rights and responsibilities differ in some respects from the rights and responsibilities of shareholders in typical companies incorporated in Canada or the United States. In particular, a shareholder of IAT has a duty to act in good faith toward IAT and other shareholders and to refrain from abusing his power in IAT, including, among other things, voting at a general meeting of shareholders on certain matters. Israeli law provides that these duties are applicable in shareholder votes on, among other things, amendments to IAT's articles of association, increases in IAT's authorized share capital, mergers and interested party transactions requiring shareholder approval. In addition, certain shareholders, including Mr. Ohad Haber are subject to certain obligations under the Means of Control provision. The power of IAT to issue and allot shares is exercisable by the Board at such times and on such terms and conditions as the Board may determine, subject to the articles of

incorporation and the limit on IAT's authorized share capital, which may be amended by a resolution of the shareholders. Shareholders do not have pre-emption rights under Israeli law over further issues of shares of IAT, except to the extent that such right is expressly included in the Articles.

Additional Risks Relating to Doing Business Internationally

We are subject to risks generally associated with doing business in international markets. International markets have been for Irri-al-Tal, and will continue to be for the Resulting Issuer, a focus for expansion and revenue growth. Several factors, including legal and regulatory compliance and weakened economic conditions in any of the international jurisdictions in which the Resulting Issuer does or will do business, or has or will have projects, could adversely affect such expansion and growth.

Additionally, the Resulting Issuer's entry into new international jurisdictions requires management attention and financial resources that would otherwise be spent on other parts of the business.

Some of the countries in which the Resulting Issuer sells or will sell products, or otherwise has or will have an international presence, are to some degree subject to political, economic, and/or social instability. International business operations exposes the Resulting Issuer to risks and expenses inherent in operating or selling products in foreign jurisdictions, and developing and emerging markets in particular, where these risks may be heightened.

In addition to the risks mentioned elsewhere, these risks and expenses could have a material adverse effect on the Resulting Issuer's business, results of operations or financial condition and include without limitation:

- adverse currency rate fluctuations;
- risks associated with complying with laws and regulations in the countries in which the Resulting Issuer's products are sold, and requirements to apply for and obtain licenses, permits or other approvals and the delays associated with obtaining such licenses, permits or other approvals;
- multiple, changing and often inconsistent enforcement of laws, rules and regulations;
- risks associated with reliance on international agents and representatives, including the possible failure of such agents and representatives to appropriately understand, represent and effectively market the Resulting Issuer's products;
- the imposition of additional foreign governmental controls or regulations, new or enhanced trade restrictions or non-tariff barriers to trade, or restrictions on the activities of foreign agents, representatives and distributors;
- increases in taxes, tariffs, customs and duties, or costs associated with compliance with import and export licensing and other compliance requirements;
- the imposition of restrictions on trade, currency conversion or the transfer of funds or limitations on the Resulting Issuer's ability to repatriate non-Canadian and/or non-Israeli earnings in a tax effective manner;
- the imposition of Canadian, United States, Israeli and/or other international sanctions against a country, company, person or entity with whom the Resulting Issuer does business that would restricts or prohibits the Resulting Issuer's continued business with the sanctioned country, company, person or entity;
- downward pricing pressure on our products in the Resulting Issuer's international markets, due to competitive factors or otherwise;
- laws and business practices favouring local companies;
- political, social or economic unrest or instability, including without limitation military conflicts and acts of terrorism, military repression, war or civil war, social and labour unrest, organized crime, hostage-taking and violent crime;
- expropriation and nationalization and/or renegotiation or nullification of necessary licenses, approvals, permits and contracts;
- greater risk on credit terms, longer payment cycles and difficulties in enforcing agreements and collecting receivables through certain foreign legal systems;
- difficulties in enforcing or defending intellectual property rights; and
- the effect of disruptions caused by severe weather, natural disasters, outbreak of disease or other events that make travel to a particular region less attractive or more difficult.

Governments in certain foreign jurisdictions intervene in their economies, sometimes frequently, and occasionally make significant changes in policies and regulations. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on doing business, price controls, export controls, currency remittance, importation of product and supplies, income and other taxes, royalties, the repatriation of profits, expropriation of property, foreign investment, maintenance of concessions, licenses, approvals and permits, environmental matters, land use, land claims of local people, water use and workplace safety. Furthermore, some of the Resulting Issuer's operations and sales are conducted in parts of the world that experience illegal sales practices or corruption or are operated under legal systems susceptible to undue influences to some degree. Although the Resulting Issuer has policies and procedures in place that are designed to promote legal and regulatory compliance, the employees, business partners and consultants of the Resulting Issuer could take actions that violate applicable anti-corruption laws or regulations. Violations of these laws, or allegations of such violations, could result in loss, reduction or expropriation and/or have a material adverse effect on the Resulting Issuer's business, results of operations or financial condition.

The Resulting Issuer's international efforts may not produce desired levels of sales. Furthermore, the Resulting Issuer's experience with selling products in its current international markets may not be relevant or may not necessarily translate into favourable results if it sells in other international markets. If and when the Resulting Issuer enters into new markets in the future, it may experience different competitive conditions, less familiarity by customers with the Resulting Issuer's brand and/or different customer requirements. As a result, the Resulting Issuer may be less successful than expected in expanding sales in its current and targeted international markets. Sales into new international markets may take longer to ramp up and reach expected sales and profit levels, or may never do so, thereby affecting the Resulting Issuer's overall growth and profitability. To build brand awareness in these new markets, the Resulting Issuer may need to make greater investments in legal compliance, advertising and promotional activity than originally planned, which could negatively impact the expected profitability of sales in those markets. These or one or more of the other factors listed above may harm the Resulting Issuer's business, results of operations or financial condition. Any material decrease in our international sales or profitability could also adversely impact the overall business, results of operations or financial condition of the Resulting Issuer.

The Resulting Issuer will continue to monitor developments and policies in the emerging markets in which it will operate and assess the impact thereof to its operations, however such developments cannot be accurately predicted and could have an adverse effect on the Resulting Issuer's operations or profitability.

Difficulty in Enforcement of Judgments

The Resulting Issuer will be a holding company, with Irri-Al-Tal and the majority of its assets located outside of Canada. Accordingly, it may be difficult for investors to enforce within Canada any judgments obtained against the Resulting Issuer, including judgments predicated upon the civil liability provisions of applicable Canadian securities laws. Consequently, investors may be effectively prevented from pursuing remedies against the Resulting Issuer under Canadian securities laws.

Irri-Al-Tal is incorporated in Israel and certain directors and officers of the Resulting Issuer and Irri-Al-Tal reside outside of Canada and substantially all of the assets of those persons are located outside of Canada. Accordingly, it may not be possible for shareholders to effect service of process against the Resulting Issuer's directors and officers who are not resident in Canada. In the event a judgment is obtained in a Canadian court against one or more of the Resulting Issuer's directors or officers for violations of Canadian securities laws, it may not be possible to enforce such judgment against those directors and officers not resident in Canada. Additionally, it may be difficult for an investor, or any other person or entity, to assert Canadian securities law claims in original actions instituted in Israel or other jurisdictions in which the Company operates and/or has assets. Courts in these jurisdictions may refuse to hear a claim based on a violation of Canadian securities laws on the grounds that such jurisdiction is not the most appropriate forum to bring such a claim. Even if a foreign court agrees to hear a claim, it may determine that the local law, and not Canadian law, is applicable to the claim. If Canadian law is found to be applicable, the content of applicable Canadian law must be proven as a fact, which can be a time-consuming and costly process. Certain matters of procedure in respect of a claim brought in a foreign jurisdiction would also be governed by foreign law.

Risk of Litigation

Many aspects of the Resulting Issuer's business will involve risks that expose the Resulting Issuer to liability under applicable laws. These risks include, among others, disputes over trade terms with customers and other market participants, customer losses resulting from warranty claims for alleged product failure and alleged actionable customer service.

Even if the Resulting Issuer prevails in any litigation or enforcement proceedings against the Resulting Issuer, the Resulting Issuer could incur significant legal expenses defending against the claims, even those without merit. Moreover, because even claims without merit can damage the Resulting Issuer's reputation or raise concerns among the Resulting Issuer's customers, the Resulting Issuer may feel compelled to settle claims at significant cost. The initiation of any claim, proceeding or investigation against the Resulting Issuer, or an adverse resolution of any such matter could have a Material Adverse Effect on the Resulting Issuer's reputation, business, financial condition and results of operations and cash flows.

User Data and Cybersecurity

The Resulting Issuer may require the registration of its users prior to accessing its products or services or certain features of its products or services and it may be subject to increased legislation and regulations on the collection, storage, retention, transmission and use of user data that is collected. The Resulting Issuer's efforts to protect the personal information of its users may be unsuccessful due to the actions of third parties, software bugs or technical malfunctions, employee error or malfeasance, or other factors. In addition, third parties may attempt to fraudulently induce employees or users to disclose information in order to gain access to the Resulting Issuer's data or its users' data. If any of these events occur, users' information could be accessed or disclosed improperly. Any incidents involving the unauthorized access to or improper use of the information of users or incidents involving violation of the Resulting Issuer's terms of service or policies, could damage the Resulting Issuer's reputation and the Resulting Issuer's brand and diminish its competitive position. In addition, the affected users or governmental authorities could initiate legal or regulatory action against the Resulting Issuer in connection with such incidents, which could cause the Resulting Issuer to incur significant expense and liability or result in orders or consent decrees forcing the Resulting Issuer to modify its business practices and remediate the effects of any such incidents of unauthorized access or use. Any of these events could have a Material Adverse Effect on the Resulting Issuer's prospects, business, financial condition or results of operations. The costs related to cyber security or other security threats or disruptions may not be fully insured or indemnified by other means. Occurrence of any of these events could adversely affect the Resulting Issuer's internal operations, the services it provides to customers, loss of competitive advantages derived from its research and development efforts, early obsolescence of its products and services, its future financial results, its reputation or its share price. The Resulting Issuer's current insurance policies may not protect the Resulting Issuer against all of such losses and liabilities. Any of these events, particularly if they result in a loss of confidence in the Resulting Issuer's products, could have a Material Adverse Effect on the Resulting Issuer's business, financial condition, results of operations and cash flows.

Internal Controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, recorded and reported and assets are safeguarded against unauthorized or improper use. A control system, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

Insurance Risks

The Resulting Issuer expects to maintain property and casualty insurance on certain of its assets. However, not all risks are covered by insurance and there is no assurance that insurance will be consistently available on an economically feasible basis or at all. The Resulting Issuer may also elect not to insure against certain liabilities due to high premium costs or for other reasons. Furthermore, although the Resulting Issuer expects to maintain insurance against such claims and in such amounts it considers adequate, there is no assurance that such insurance policies will be sufficient to cover each and every claim or loss involving the Resulting Issuer. If the Resulting Issuer were to suffer an uninsured loss, its business, financial condition, and results of operations could face Material Adverse Effects.

Difficulty Enforcing Canadian Law Against an Israeli Company

The majority of the directors and officers of the Resulting Issuer will be based in Israel, and most of the Resulting Issuer's assets and assets of the directors and officers of the Resulting Issuer will be located outside of Canada. Therefore, a judgment obtained against the Resulting Issuer, or any of these persons, including a judgment based on the civil liability provisions of the Canadian securities laws, may not be collectible in Canada and may not be enforced by an Israeli court. It also may be difficult to effect service of process on these persons in Canada or to assert Canadian securities law claims in original actions instituted in Israel. Israeli courts may refuse to hear a claim based on an alleged violation of Canadian securities laws reasoning that Israel is not the most appropriate forum in which to bring such a claim. In addition, even if an Israeli court agrees to hear a claim, it may determine that Israeli law and not Canadian law is applicable to the claim. If the Canadian law is found to be applicable, the content of applicable Canadian law must be proven as a fact by expert witnesses, which can be a time consuming and costly process. Certain matters of procedure will also be governed by Israeli law. There is little binding case law in Israel that addresses the matters described above. As a result of the difficulty associated with enforcing a judgment against the Resulting Issuer or the Resulting Issuer in Israel, it may be difficult to collect any damages awarded by either a Canadian or a foreign court. See "*Enforceability of Civil Liabilities*".

Transaction Risk

Although the Resulting Issuer's growth strategy has not focused historically on acquisitions, the Resulting Issuer may in the future selectively pursue acquisitions and new businesses. Any future acquisitions may result in significant transaction expenses, dilution of equity financings (including additional Common Share issuances to the targets for a part of the acquisition) and present new risks associated with entering additional markets or offering new products and integrating the acquired companies. Because acquisitions historically have not been a core part of the Resulting Issuer's growth strategy, the Resulting Issuer will not have significant experience in successfully completing acquisitions. The Resulting Issuer may not have sufficient management, financial and other resources to integrate companies the Resulting Issuer acquires or to successfully operate new businesses and the Resulting Issuer may be unable to profitably operate an expanded company. Additionally, any new businesses that the Resulting Issuer may acquire, once integrated with the Resulting Issuer's existing operations, may not produce expected or intended results.

Risk Relating to Ownership of Common Shares and Warrants

Major Shareholder

Mr. Ohad Haber holds directly approximately 76.6% of the outstanding IAT Shares and will own approximately 54.7% of the Common Shares issued and outstanding after the Securities Exchange, assuming the completion of the Maximum Offering, exercise of the Over-Allotment Option and assuming that the Concurrent Private Placement is fully subscribed, but on a non-diluted basis, and approximately 67.3% assuming the completion of the Minimum Offering and that no securities are issued in the Concurrent Private Placement. As a result, Mr. Haber will control the Resulting Issuer and will be entitled to nominate a majority of the members of the Board and will have the ability to control and determine the outcome of matters submitted to the shareholders of the Resulting Issuer for approval, which include amendments to Resulting Issuer's corporate governing documents and business combinations. The Resulting Issuer's interests and the interests of other shareholders may at times conflict with those of Mr. Haber, and this conflict might be resolved against Resulting Issuer's interests and the interests of other shareholders. Due to his shareholdings, Mr. Haber will be in a position to determine whether the Resulting Issuer or its operations are acquired by a third-party, to control the election of the Board, to significantly influence the members of management and to generally direct the affairs of the Resulting Issuer.

Absence of Operating History as a Public Company

Proposed management of the Resulting Issuer has limited experience operating as a public company. To operate effectively, the Resulting Issuer will be required to continue to implement changes in certain aspects of its business, improve its information systems and develop, manage and train management level and other employees to comply with ongoing public company requirements. Failure to take such actions, or delay in implementation thereof, could adversely affect the Resulting Issuer's business, financial condition, liquidity and results of operations and, more

specifically, could result in regulatory penalties, market criticism or the imposition of cease trade orders in respect of the Common Shares.

Substantial Capital Requirements

The Resulting Issuer has limited financial resources and may require substantial additional equity or debt financing in order to carry out its business objectives, including the continued development of new and upgraded functionality of the Resulting Issuer's products and services. There can be no assurance that debt or equity financing or cash generated by operations would be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it would be on terms acceptable to the Resulting Issuer. Failure to obtain sufficient financing may result in the delay or indefinite postponement of development or production on any or all of the Resulting Issuer's products and services which could have a Material Adverse Effect on the Resulting Issuer's business, financial condition and results of operations.

Future Sales of Common Shares by Existing Shareholders

Sales of a large number of Common Shares in the public markets, or the potential for such sales, could decrease the trading price of the Common Shares and could impair the Resulting Issuer's ability to raise capital through future sales of Common Shares. In particular, Mr. Haber will own approximately 54.7% of the Common Shares issued and outstanding after the Securities Exchange, assuming the Maximum Offering, exercise of the Over-Allotment Option and assuming that the Concurrent Private Placement is fully subscribed. If Mr. Haber decides to liquidate all or a significant portion of his position, it could adversely affect the price of the Common Shares. In addition, if the Common Shares failed to qualify as permitted investments under the investment policies (including the Registered Plans) or guidelines of certain institutional investors and such institutions were forced to liquidate their position, it could adversely affect the price of the Common Shares.

Market Price and Trading Volume of Common Shares

The price of the Common Shares is likely to be significantly affected by a variety of items and events including short-term changes, the Resulting Issuer's financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to Resulting Issuer's performance that may have an effect on the price of the Common Shares include the following:

- (a) the extent of analytical coverage available to investors concerning Resulting Issuer's business may be limited if investment banks with research capabilities do not follow Resulting Issuer's securities;
- (b) lessening in trading volume and general market interest in Resulting Issuer's securities or technology companies more generally may affect an investor's ability to trade significant numbers of the Common Shares;
- (c) the size of Resulting Issuer's public float may limit the ability of some institutions to invest in Resulting Issuer's securities; and
- (d) a substantial decline in the price of the Common Shares that persists for a significant period of time could cause Resulting Issuer's securities, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity.

As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect Resulting Issuer's long-term value. Securities class action litigation has often been brought against companies following periods of volatility in the market price of their securities. The Resulting Issuer may be the target of similar litigation in the future. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

In addition, the Common Shares may not qualify as a permitted investment under the investment policies or guidelines of certain institutional investors which could result in a lessening in trading volume and the Resulting Issuer's securities.

Dividend Policy

No dividends on the Common Shares have been paid by the Company or the Resulting Issuer to date. Payment of any future dividends will be at the discretion of the Board after taking into account many factors, including the Resulting Issuer's financial condition, results of operations, financial requirements of the Resulting Issuer to finance future growth and other factors which the Board considers appropriate in the circumstances. At this time, the Resulting Issuer anticipates using all available cash resources towards its stated business objectives and retaining all earnings, if any, to finance its business operations and accordingly, has no plans to pay any dividend.

Lack of Liquidity for Common Shares

Subject to Exchange approval, the Common Shares shall be listed on the Exchange upon completion of the Proposed Qualifying Transaction. However, no assurance can be given regarding the liquidity of such public market.

An Active Trading Market for the Common Shares

The extent to which investor interest in the Resulting Issuer's business is unknown. The price for the Common Shares has been determined by agreement among the Resulting Issuer and the Agent and may not be indicative of the price at which the Common Shares will trade in the public market after the completion of the Offering. If an active market for the Resulting Issuer is not maintained, there may be difficulty selling any Common Shares.

The Market Price of the Common Shares May be Volatile

Securities markets worldwide experience significant price and volume fluctuations. This market volatility, as well as the factors listed below, some of which are beyond the Company's control, could affect the market price of the Common Shares:

- quarterly variations in the Resulting Issuer's results of operations and cash flows or the results of operations and cash flows of the Company's competitors;
- The Company's failure to achieve actual operating results that meet or exceed guidance that the Company may have provided due to factors beyond its control, such as currency volatility and trading volumes;
- future announcements concerning the Company or its competitors, including the announcement of acquisitions;
- changes in government regulations or in the status of the Company's regulatory approvals or licensure;
- public perceptions of risks associated with the Company's operations;
- developments in the Company's industry; and
- general economic, market and political conditions and other factors that may be unrelated to the Company's operating performance or the operating performance of its competitors.

No Market for Unit Warrants

There is no market through which the Unit Warrants may be sold and purchasers may not be able to resell such securities. This may affect the pricing of the Unit Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of such securities and the extent of issuer regulation.

Conflicts of Interest

Certain directors and officers of the Resulting Issuer and the proposed directors of the Resulting Issuer, are also directors, officers, or shareholders of other companies, which may give rise to conflicts of interest from time-to-time. The directors of the Resulting Issuer will be required by law to act honestly and in good faith with a view to the best interests of the Resulting Issuer and to disclose any interest that they may have in any project or opportunity of the Resulting Issuer. If a conflict of interest arises at a meeting of the Board, any director in a conflict is required under the applicable corporate laws to disclose his interest and to abstain from voting on such matter. See "*Information Concerning the Resulting Issuer – Conflicts of Interest*".

Market Research and Reports

The trading market for the Common Shares will be influenced by the research and reports that industry or securities analysts publish (if any) about the Resulting Issuer's business. If one or more of the analysts (if any) who cover the Resulting Issuer or the Resulting Issuer's industry make unfavourable comments about the Resulting Issuer's market opportunity or business, the market price of the Common Shares would likely decline. If one or more of these analysts ceases coverage of the Resulting Issuer or fails to regularly publish reports on the Resulting Issuer, it could lose visibility in the financial markets, which could cause the market price of the Common Shares or trading volume to decline. On the Resulting Issuer's part, if the Resulting Issuer fails to achieve analysts' earnings estimates, the market price of the Common Shares would also likely decline.

Non-Operating Parent Corporation Structure

The Resulting Issuer will be a non-operating parent corporation that will hold assets and carry on its business through Irri-Al-Tal, its wholly-owned subsidiary. The Resulting Issuer will control Irri-Al-Tal through its ownership of Irri-Al-Tal's securities which will entitle it to elect the directors of Irri-Al-Tal (which entitlement the Resulting Issuer will exercise) and the directors may then appoint the officers of Irri-Al-Tal. To the extent that there are risks inherent in having a subsidiary hold assets and carry on business, the Resulting Issuer will mitigate those risks by, at the closing of the Proposed Qualifying Transaction, implementing an effective system of corporate governance, internal controls over financial reporting, and disclosure controls and procedures that will apply at all levels of the Resulting Issuer. These systems will be overseen by the board of directors of the Resulting Issuer and will be implemented by the Resulting Issuer's senior management (which includes the senior management of Irri-Al-Tal). The Resulting Issuer's board of directors will also comprise the board of directors of Irri-Al-Tal. Accordingly, the Resulting Issuer's board of directors will exercise effective control over Irri-Al-Tal directly. Furthermore, as a wholly-owned subsidiary, Irri-Al-Tal will be controlled by the Resulting Issuer as a matter of corporate law. The Resulting Issuer will be entitled to appoint and dismiss directors of Irri-Al-Tal and the directors have the authority to appoint and dismiss officers of Irri-Al-Tal. Accordingly, the directors and officers of Irri-Al-Tal will ultimately be accountable to the management of the Resulting Issuer and the Resulting Issuer will have complete control over Irri-Al-Tal. The books and records of Irri-Al-Tal are and will be kept at Irri-Al-Tal's corporate headquarters at POB 7, Kibbutz Ramat-David 3658700, Israel. There will not be any restriction on providing access to the books and records of Irri-Al-Tal to the board of the Resulting Issuer, as may be required, and such books and records may be maintained in electronic format that can be accessed from Canada, if necessary.

Inter-company Transfers of Funds

As the Resulting Issuer's operations will be carried on through Irri-Al-Tal, it will be dependent on cash flows from Irri-Al-Tal. The Resulting Issuer is not currently subject to or aware of any limitations on the repatriation of funds from Irri-Al-Tal in Israel. The Resulting Issuer will develop a cash management system to provide for the flow of funds between the Resulting Issuer and Irri-Al-Tal. It is expected that such a system will provide for:

- the structuring and documentation of fund transfers as loan arrangements, capital investments and/or management services arrangements between relevant entities;
- internal approval process by the controller and the general manager at the subsidiary level, and for certain transactions exceeding the subsidiary's authority limits, by the Resulting Issuer's CFO; and
- compliance with internal procedures and applicable local regulations.

If any issues arising with the repatriation of funds it may have an adverse effect on the Resulting Issuer.

Auditors, Transfer Agents and Registrars of the Resulting Issuer

The auditors of the Resulting Issuer are expected to be Ziv Haft, Certified Public Accountants (Isr.), BDO Member Firm, BDO House Building B, 48 Menachem Begin Road, Tel Aviv 661801 Israel.

The registrar and transfer agent of the Resulting Issuer is expected to be Computershare Trust Company of Canada, 100 University Ave, 8th Floor, Toronto ON, M5J 2Y1.

Sponsorship

Pursuant to the policies of the Exchange, the Company is required to engage a Sponsor to provide a Sponsor Report (as such terms are defined by the Policies of the Exchange) to the Exchange with respect to the Proposed Qualifying Transaction, pursuant to Section 3.4(a)(ii) of Exchange Policy 2.2 – *Sponsorship and Sponsorship Requirements*. The Company intends to apply for an exemption from the sponsorship requirements.

Experts Opinions

The financial statements of the Company for the years ended December 31, 2017 and 2016 included in this Prospectus have been audited by UHY McGovern Hurley LLP, Chartered Professional Accountants, Licensed Public Accountants, as set forth in its audit report. UHY McGovern Hurley LLP is the independent auditor of the Company and is independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

The financial statements of the Company for the years ended December 31, 2015 included in this Prospectus have been audited by Collins Barrow Toronto LLP, Chartered Professional Accountants, Licensed Public Accountants, as set forth in its audit report. Collins Barrow Toronto LLP is the independent auditor of the Company and is independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

The Irri-Al-Tal Financial Statements for the years ended December 31, 2017, 2016 and 2015 included in this Prospectus have been audited by Ziv Haft, Certified Public Accountants (Isr.), BDO Member Firm, as set forth in its audit report. Ziv Haft is the independent auditor of Irri-Al-Tal and is independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

Certain legal matters relating to this Offering will be passed upon on behalf of the Company by Fogler, Rubinoff LLP, on behalf of Irri-Al-Tal by Yaniv Bresler, and by Gowling WLG (Canada) LLP and on behalf of the Agent by Burnet Duckworth & Palmer LLP.

Interests of Experts

As of the date hereof:

- Other than Adam Szweras, the partners and associates of Fogler, Rubinoff LLP as a group beneficially do not own, directly or indirectly, any of the outstanding Common Shares or IAT Shares. See "*Information Concerning the Resulting Issuer – Directors and Executive Officers of the Resulting Issuer*", "*Information Concerning the Resulting Issuer – Conflicts of Interest*", "*Information Concerning the Resulting Issuer – Escrowed Securities of the Resulting Issuer*", "*Information Concerning the Resulting Issuer – Directors and Executive Officers of the Company*" and "*Information Concerning the Resulting Issuer – Directors and Executive Officers of the Company*".
- Yaniv Bresler owns 1,034,195 IAT Shares, which represents 2.16% of the IAT Shares outstanding prior to undertaking the Offering, Securities Exchange and the Concurrent Private Placement and will receive one half of Bresler-Aloni Haft Success Fee pursuant to Bresler-Aloni Haft Agreement.
- The partners and associates of UHY McGovern Hurley LLP, do not own, directly or indirectly, any of the outstanding Common Shares or IAT Shares.
- The partners and associates of Ziv Haft as a group beneficially do not own, directly or indirectly, any of the outstanding Common Shares or IAT Shares.
- The partners and associates of Collins Barrow Toronto LLP as a group beneficially do not own, directly or indirectly, any of the outstanding Common Shares or IAT Shares.
- The partners and associates of Burnet Duckworth & Palmer LLP as a group beneficially do not own, directly or indirectly, any of the outstanding Common Shares or IAT Shares.

- The partners and associates of Gowling WLG (Canada) LLP as a group beneficially do not own, directly or indirectly, any of the outstanding Common Shares or IAT Shares.

Eligibility for Investment

In the opinion of Fogler, Rubinoff LLP, counsel to the Company, and Burnet Duckworth & Palmer LLP, counsel to the Agent, based on the current provisions of the Tax Act and any proposal to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (*Canada*) prior to the date hereof, as of the date hereof, the Common Shares, Unit Warrants, and Warrant Shares, if issued on the date hereof, would be qualified investments for a trust governed by a registered retirement savings plan, a registered retirement income fund, a registered education savings plan, a registered disability savings plan, a tax-free savings account (each, a "**Registered Plan**"), and a deferred profit sharing plan ("**DPSP**"), provided that

- (i) in the case of Common Shares and Warrant Shares, the Common Shares or Warrant Shares are listed on a "designated stock exchange" in Canada for purposes of the Tax Act (which currently includes the Exchange) or the Company qualifies as a "public corporation" as defined in the Tax Act; and
- (ii) in the case of the Unit Warrants, the Warrant Shares are qualified investments as described in (i) above and the Company is not and deals at arm's length with each person who is, an annuitant, a beneficiary, an employer or a subscriber under or a holder of such Registered Plan or DPSP.

Notwithstanding that a Common Share, Unit Warrant or Warrant Share, as the case may be, may be a qualified investment for a trust governed by a Registered Plan, the holder of, or an annuitant under, a Registered Plan (the "**Controlling Individual**") which holds such Common Share, Unit Warrant or Warrant Share will be subject to a penalty tax if such securities are a "prohibited investment" for the particular Registered Plan. A Common Share, Unit Warrant or Warrant Share will be a "prohibited investment" for a Registered Plan if the Controlling Individual: (i) does not deal at arm's length with the Company for purposes of the Tax Act, or (ii) has a "significant interest", as defined in the Tax Act for the purposes of the prohibited investment rules, in the Company. Controlling Individuals should consult their own tax advisors with respect to whether the Common Shares, Warrant Shares, or Warrants would be prohibited investments in their particular circumstances.

Purchasers' Statutory Rights

Securities legislation in certain provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

In an offering of warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial securities legislation, to the price at which the warrant is offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

Material Contracts of the Resulting Issuer

Following the completion of the Proposed Qualifying Transaction, the material contracts of the Company and Irri-Al-Tal will continue to be material contracts of the Resulting Issuer. In addition, as of the Offering Closing Date, the Warrant Indenture will be a material contract of the Resulting Issuer. Any material contracts of the Resulting Issuer

will be filed on SEDAR under the Resulting Issuer's profile at www.sedar.com. See "*Information Concerning Irri-Al-Tal – Material Contracts*" and "*Information Concerning the Company – Material Contracts*".

Copies of all material contracts may be inspected at the offices of Fogler, Rubinoff LLP, Suite 3000, P.O. Box 95 TD Centre North Tower Toronto, ON M5K 1G8 for a period of 30 days from the date of this Prospectus during normal business hours.

Other Material Facts

As of the date hereof, the management of each of the Company and Irri-Al-Tal is not aware of any other material facts required to be disclosed in this Prospectus.

SCHEDULE "A" – AUDIT COMMITTEE CHARTER

The purpose of the Audit Committee ("**Audit Committee**") of the board of directors (the "**Board**") of Sagittarius Capital Corporation (the "**Corporation**") is to assist the Board in fulfilling its responsibility for overseeing the quality and integrity of the accounting, auditing, and reporting practices of the Company, and such other duties as directed by the Board. The Audit Committee's role includes a particular focus on the qualitative aspects of financial reporting to shareholders, on the Company's processes to manage business and financial risk, and on compliance with significant applicable legal, ethical and regulatory requirements.

MEMBERSHIP

The membership of the Audit Committee shall consist of at least two directors who are generally knowledgeable in financial and auditing matters, including at least one member with accounting or related financial management expertise. A majority of the members of the Audit Committee must be financially literate, that is having the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

The Chair of the Audit Committee shall be appointed by the full Board.

COMMUNICATIONS AND REPORTING

The Audit Committee is expected to maintain free and open communication with the external auditors, the internal accounting staff, and the Company's management. This communication shall include private executive sessions, at least annually, with each of these parties. The Audit Committee chairperson shall report on Audit Committee activities to the full Board.

AUTHORITY

In discharging its oversight role, the Audit Committee is empowered to investigate any matter brought to its attention, with full power to retain outside counsel or other advisors and experts for this purpose. The Audit Committee shall be empowered to set and pay the compensation for any such advisors employed by the Audit Committee. The Audit Committee shall have the authority to communicate directly with the external auditors of the Company.

RESPONSIBILITIES

Oversight

The Audit Committee is directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management of the Company and the external auditor regarding financial reporting.

Recommend Auditor

The Audit Committee must recommend to the Board the external auditor to be nominated (subject to shareholder approval) for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company and the compensation of the external auditor.

Pre-Approve Non-Audit Services

The Audit Committee must pre-approve all non-audit services to be provided to the Company by the Company's external auditor.

Review Financial Disclosure

The Audit Committee must review the Company's financial statements, management's discussion and analysis (MD&A) and annual and interim financial press releases, if any, before the Company publicly discloses this information.

The Audit Committee must be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, and must periodically assess the adequacy of those procedures.

Reliance on Management and Auditors

The Audit Committee relies on the expertise and knowledge of management, the internal auditors, and the external auditor in carrying out its oversight responsibilities. Management of the Company is responsible for determining that the Company's financial statements are complete, accurate, and in accordance with generally accepted accounting principles. The external auditor is responsible for auditing the Company's financial statements. The Audit Committee should assure itself that the Company's internal policies, procedures and controls are adequate and are being implemented and followed.

Relationship with Auditors

The Audit Committee is also responsible for ensuring that the Company's external auditors submit on a periodic basis to the Committee a formal written statement delineating all relationships between the external auditors and the Company and actively engaging in a dialogue with the external auditors with respect to any disclosure relationships or services that may impact the objectivity and independence of the external auditors and for taking appropriate action to ensure the independence of the external auditors within the meaning of applicable Canadian law.

Guidelines for Audit Committee

With respect to the exercise of its duties and responsibilities, the Audit Committee should, among other things:

1. report regularly to the Board on its activities, as appropriate;
2. exercise reasonable diligence in gathering and considering all material information;
3. remain flexible, so that it may be in a position to best react or respond to changing circumstances or conditions;
4. understand and weigh alternative courses of conduct that may be available;
5. focus on weighing the benefit versus harm to the Company and its shareholders when considering alternative recommendations or courses of action;
6. if the Audit Committee deems it appropriate, secure independent expert advice and understand the expert's findings and the basis for such findings, including retaining independent counsel, accountants or others to assist the Audit Committee in fulfilling its duties and responsibilities; and
7. provide management and the Company's independent auditors with appropriate opportunities to meet privately with the Audit Committee.

MEETINGS

The Audit Committee shall meet with such frequency and at such intervals as it shall determine is necessary to carry out its duties and responsibilities. As part of its purpose to foster open communications, the Audit Committee shall meet at least annually with management and the Company's external auditors to discuss any matters that the Audit Committee or each of these groups or persons believe should be discussed privately. In addition, the Audit Committee should meet or confer with the external auditors and management to review the Company's interim consolidated

financial statements and related filings prior to their filing with any regulatory body. The Chairman should work with the Chief Financial Officer and management to establish the agendas for Audit Committee meetings. The Audit Committee, in its discretion, may ask members of management or others to attend its meetings (or portions thereof) and to provide pertinent information as necessary. The Audit Committee shall maintain minutes of its meetings and records relating to those meetings and the Audit Committee's activities and provide copies of such minutes to the Board to be included in the minute books of the Company.

SCHEDULE "B"
AUDITED FINANCIAL STATEMENTS OF IRRI-AL-TAL
FOR THE FINANCIAL YEARS ENDED DECEMBER 31, 2017, 2016 AND 2015

IRRI-AL-TAL LTD.
FINANCIAL STATEMENTS AS OF DECEMBER 31, 2017

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INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF
IRRI-AL-TAL LTD.

We have audited the accompanying statements of financial position of Irri-Al-Tal Ltd (the "**Company**") as of December 31, 2017 and 2016, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the years ended December 31, 2017, 2016 and 2015. These financial statements are the responsibility of the Company's board of directors and management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with international standards of auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Company's board of directors and management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of their operation, changes in shareholders' equity and their cash flows for the years ended December 31, 2017, 2016 and 2015, in conformity with International Financial Reporting Standards (IFRS).

Tel-Aviv, Israel
July 30, 2018

Ziv Haft
Certified Public Accountants (Isr.)
BDO Member Firm



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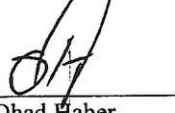
IRRI-AL-TAL LTD
STATEMENTS OF FINANCIAL POSITION

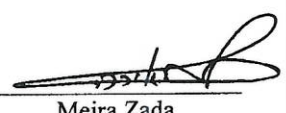
		December 31, 2017	December 31, 2016
	Note	US\$ in thousands	
CURRENT ASSETS:			
Cash and cash equivalents		174	91
Short term deposits		126	134
Trade accounts receivable		3,741	2,566
Other accounts receivable	4	708	202
Inventory	5	807	61
Total current assets		<u>5,556</u>	<u>3,054</u>
NON-CURRENT ASSETS:			
Deferred tax asset		15	72
Investments in associated company	6	179	-
Property, plant and equipment, net	7	179	157
Total non-current assets		<u>373</u>	<u>229</u>
TOTAL ASSETS		<u>5,929</u>	<u>3,283</u>
CURRENT LIABILITIES:			
Short term loans and current portion of long term loans		336	268
Trade accounts payable		3,335	2,524
Deferred revenues		707	-
Other accounts payable	8	549	189
Total current liabilities		<u>4,927</u>	<u>2,981</u>
NON-CURRENT LIABILITIES:			
Long term loans	9	381	352
Total non-current liabilities		<u>381</u>	<u>352</u>
SHAREHOLDERS' EQUITY:			
Share capital	11	*	*
Retained earnings (deficit)		621	(50)
Total shareholders' equity		<u>621</u>	<u>(50)</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>5,929</u>	<u>3,283</u>

* Represent an amount lower than 1 thousand.

July 30, 2018

Date of approval of the
financial statements


Ohad Haber
CEO


Meira Zada
CFO

The accompanying notes are an integral part of the financial statements.

IRRI-AL-TAL LTD.
STATEMENTS OF COMPREHENSIVE INCOME

		Year ended December 31, 2017	Year ended December 31, 2016	Year ended December 31, 2015
	Note	US\$ in thousands		
Revenues:	12			
Services		5,331	782	781
Products		5,248	4,442	5,389
Total revenues		<u>10,579</u>	<u>5,224</u>	<u>6,170</u>
Cost of revenues:				
Services		4,321	574	686
Products		4,527	4,184	4,833
Total cost of revenues		<u>8,848</u>	<u>4,758</u>	<u>5,519</u>
Gross profit		1,731	466	651
Selling, general and administrative expenses	13	<u>707</u>	<u>526</u>	<u>718</u>
Operating profit (loss)		1,024	(60)	(67)
Financial expenses		(153)	87	52
Financial income		2	1	18
Share in losses of associated company		<u>(1)</u>	<u>-</u>	<u>-</u>
Profit (loss) before taxes on income		872	(146)	(101)
Taxes on income	14	<u>(201)</u>	<u>35</u>	<u>37</u>
Total comprehensive income (loss)		<u>671</u>	<u>(111)</u>	<u>(64)</u>

The accompanying notes are an integral part of the financial statements.

IRRI-AL-TAL LTD.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended December 31, 2017:

	<u>Share capital</u>	<u>Retained earnings (deficit) (US\$ in thousands)</u>	<u>Total Shareholders' equity</u>
Balance at January 1, 2017	*	(50)	(50)
Changes during the year:			
Total comprehensive income	-	671	671
Balance at December 31, 2017	*	621	621

For the year ended December 31, 2016:

	<u>Share capital</u>	<u>Retained earnings (deficit) (US\$ in thousands)</u>	<u>Total Shareholders' equity</u>
Balance at January 1, 2016	*	61	61
Changes during the year:			
Total comprehensive loss	-	(111)	(111)
Balance at December 31, 2016	*	(50)	(50)

For the year ended December 31, 2015:

	<u>Share capital</u>	<u>Retained earnings (US\$ in thousands)</u>	<u>Total Shareholders' equity</u>
Balance at January 1, 2015	*	125	125
Changes during the year:			
Total comprehensive loss	-	(64)	(64)
Balance at December 31, 2015	*	61	61

* Represent an amount lower than 1 thousand.

The accompanying notes are an integral part of the financial statements.

IRRI-AL-TAL LTD.
STATEMENTS OF CASH FLOWS

	Year ended December 31, 2017	Year ended December 31, 2016	Year ended December 31, 2015
	(US\$ in thousands)		
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net profit (loss) for the year	671	(111)	(64)
Adjustments to reconcile net profit to net cash provided by operating activities:			
Depreciation	40	37	39
Loss (gain) on sale of property and equipment	-	1	(20)
Decrease (increase) in deferred taxes	57	(35)	(37)
Accrued interest	30	24	19
Share in losses in associated company	1	-	-
Decrease (increase) in trade accounts receivable	(1,175)	167	802
Decrease (increase) in other accounts receivable	(532)	3	453
Decrease (increase) in inventory	(746)	16	116
Increase (decrease) in trade accounts payable	811	572	(1,352)
Increase (decrease) in other accounts payable	360	(768)	(270)
Increase in deferred revenues	707	-	-
Net cash provided by (used in) operating activities	<u>224</u>	<u>(94)</u>	<u>(314)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	(62)	(57)	(113)
Proceeds on sale of property, plant and equipment	-	26	36
Investment in associated company	(180)	-	-
Change in short term deposits	8	(9)	(36)
grant of loans to others	(15)	(50)	-
Repayment of loans to others	41	-	-
Net cash used in investing activities	<u>(208)</u>	<u>(90)</u>	<u>(113)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of bank loans	(506)	(1,104)	(291)
Receipt of bank loans	<u>573</u>	<u>1,192</u>	<u>447</u>
Net cash provided by financing activities	<u>67</u>	<u>88</u>	<u>156</u>
Increase (decrease) in cash and cash equivalents	<u>83</u>	<u>(96)</u>	<u>(271)</u>
Cash and cash equivalents at beginning of the year	<u>91</u>	<u>187</u>	<u>458</u>
Cash and cash equivalents at the end of the year	<u>174</u>	<u>91</u>	<u>187</u>

The accompanying notes are an integral part of the financial statements.

APPENDIX A-AMOUNT PAID DURING THE PERIOD FOR:

Year ended Year ended Year ended

**IRRI-AL-TAL LTD.
STATEMENTS OF CASH FLOWS**

	December 31, 2017	December 31, 2016	December 31, 2015
	US\$ in thousands		
Tax	33	51	-
Interest	25	18	16

IRRI-AL-TAL LTD.
NOTES TO FINANCIAL STATEMENTS
(In thousands of US Dollars)

NOTE 1 - GENERAL:

Irri-Al-Tal Ltd. (the "**Company**") was established in 2003 as an Israeli irrigation and agriculture technology company and a global provider of smart irrigation and water systems solutions for agricultural producers. The Company develops, manufactures and delivers innovative solutions to agricultural growers which include: end-to-end solutions from the water source to the root zone; turnkey high-tech irrigation and greenhouse projects, supported by engineering and project management, in partnership with globally leading ag tech and integration companies. The Company operates in over 15 countries and since inception has been 100% owned and funded by its CEO and founder Mr. Ohad Haber.

On December 28, 2017, the Company entered into a letter of intent ("**LOI**") with Sagittarius Capital Corporation ("**Sagittarius**"), a company incorporated under Business Corporations Act (*Ontario*) and is a Capital Pool Company pursuant to the policies of the TSX Venture Exchange ("**Exchange**"), pursuant to which the Company will exchange all its issued and outstanding common shares for common shares of Sagittarius ("**Securities Exchange**") and become a wholly-owned subsidiary of Sagittarius. Completion of the Securities Exchange is subject to completion of due diligence, receipt of all required regulatory, director and shareholder approvals, execution of definitive agreements and certain other conditions that are customary for transactions of this nature. If successful, the combined entity ("**Resulting Issuer**") will continue as a publicly listed company on the Exchange. The Securities Exchange is intended to constitute Sagittarius' qualifying transaction in accordance with the policies of the Exchange.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES:

The significant accounting policies followed in the preparation of the financial statements, on a consistent basis, are:

Basis of preparation

The principal accounting policies adopted in the preparation of the financial statements are set out below. These financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). The financial statements have been prepared under the historical cost convention. The Company has elected to present the statement of operations and comprehensive income using the function of expense method.

Estimates and assumptions

The preparation of the financial statements requires management to make estimates and assumptions that have an effect on the application of the accounting policies and on the reported amounts of assets, liabilities and expenses. These estimates and underlying assumptions are reviewed regularly. Changes in accounting estimates are reported in the period of the change in estimate.

IRRI-AL-TAL LTD.
NOTES TO FINANCIAL STATEMENTS
(In thousands of US Dollars)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONT.):

Foreign currency

The financial statements are prepared in US Dollars (being the functional currency of the Company).

Transactions and balances in foreign currencies are converted into US Dollars in accordance with the principles set forth by International Accounting Standard (IAS) 21 ("**The Effects of Changes in Foreign Exchange Rates**"). Accordingly, transactions and balances have been converted as follows:

- Monetary assets and liabilities – at the rate of exchange applicable at the statements of financial position date.
- Expense items – at exchange rates applicable as of the date of recognition of those items.
- Non-monetary items are converted at the rate of exchange used to convert the related statements of financial position items i.e. at the time of the transaction. Exchange gains and losses from the aforementioned conversion are recognized in the statement of comprehensive income.

Cash and cash equivalents

Cash equivalents are considered by the Company to be highly-liquid investments, including, *inter-alia*, short-term deposits with banks and the maturity of which do not exceed three months at the time of deposit and which are not restricted.

Inventory

Inventories are measured at the lower of cost and net realizable value. The cost of inventories comprise costs of purchase and costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale. The Company periodically evaluates the condition and age of inventories and makes provisions for slow moving inventories accordingly.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- A. In the principal market for the asset or liability, or
- B. In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

IRRI-AL-TAL LTD.
NOTES TO FINANCIAL STATEMENTS
(In thousands of US Dollars)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONT.):

Fair value measurement (cont.)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Classification of financial instruments by fair value hierarchy

The financial instruments presented in the statements of financial position at fair value are grouped into classes with similar characteristics using the following fair value hierarchy which is determined based on the source of input used in measuring fair value:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable either directly or indirectly.
- Level 3 - Inputs that are not based on observable market data (valuation techniques which use inputs that are not based on observable market data).

Financial assets

The Company classifies its financial assets, depending on the purpose for which the asset was acquired. The Company's accounting is as follows:

Receivables: receivables are investments with fixed or determinable payments that are not quoted in an active market. These assets are carried at amortized cost using the effective interest method and less any impairment losses.

Financial Liabilities

The Company classifies its financial liabilities as follows:

Other financial liabilities: Other financial liabilities include the following items:

- Trade accounts payable, long term credit from bank and other short-term monetary liabilities are initially recognized at fair value less any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortized cost using the effective interest method, which ensures that any interest expense over the period is at a constant interest rate on the balance of the liability carried in the statement of financial position. Interest expense in this context includes initial transaction costs, as well as any interest or coupon payable while the liability is outstanding.

IRRI-AL-TAL LTD.
NOTES TO FINANCIAL STATEMENTS
(In thousands of US Dollars)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONT.):

De-recognition of financial instruments

Financial assets: A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or the Company has transferred its contractual rights to receive cash flows from the financial asset or assumes an obligation to pay the cash flows in full without material delay to a third party and has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities: A financial liability is derecognized when it is extinguished, that is when the obligation is discharged or cancelled or expires. A financial liability is extinguished when the creditor:

- discharges the liability by paying in cash, other financial assets, goods or services; or
- is legally released from the liability.

Where an existing financial liability is exchanged with another liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is accounted for as an extinguishment of the original liability and the recognition of a new liability. The difference between the carrying amounts of the existing liability and new liability is recognized in profit or loss. If the exchange or modification is not substantial, it is accounted for as a change in the terms of the original liability and no gain or loss is recognized on the exchange.

Impairment of financial assets

The Company assesses at the end of each reporting period whether there is any objective evidence of impairment of a financial asset or group of financial assets as follows. The financial assets carried at amortized cost and an impairment expense is recognized if there is objective evidence of impairment of loans and receivables if one or more events have occurred after the initial recognition of the asset, and that loss event has an impact on the estimated future cash flows.

IRRI-AL-TAL LTD.
NOTES TO FINANCIAL STATEMENTS
(In thousands of US Dollars)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONT.):

Impairment of non-financial assets

The carrying values of non-financial assets are tested for impairment whenever events or changes in circumstances indicate that carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely-Independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffer impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

Impairment exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount.

Investments in associates

Associates are companies in which the Company has significant influence over the financial and operating policies without having control. The investment in an associate is accounted for using the equity method.

Deferred taxes

Deferred taxes are computed in respect of temporary differences between the carrying amounts of assets and liabilities in the financial statements and the amounts attributable for tax purposes. Deferred taxes are recognized in other comprehensive income or directly in equity if the tax relates to those items.

Deferred taxes are measured at the tax rates that are expected to apply in the period when the temporary differences are reversed in profit or loss, other comprehensive income or equity, based on tax laws that have been enacted or substantively enacted at the end of the reporting period. Deferred taxes in profit or loss represent the changes in the carrying amount of deferred tax balances during the reporting period, excluding changes attributable to items recognized in other comprehensive income or directly in equity.

Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is not probable that they will be utilized. In addition, temporary differences (such as carry forward losses) for which deferred tax assets have not been recognized are reassessed and deferred tax assets are recognized to the extent that their recoverability is probable. Any resulting reduction or reversal is recognized on "income tax" within the statement of comprehensive income. Taxes that would apply in the event of the disposal of investments in investees have not been taken into account, as long as the disposal of such investments is not expected in the foreseeable future and the Company has control over such disposal. The Company's policy is not to initiate distribution of dividends that triggers an additional tax liability. All deferred tax assets and liabilities are presented in the statement of financial position as non-current items, respectively.

IRRI-AL-TAL LTD.
NOTES TO FINANCIAL STATEMENTS
(In thousands of US Dollars)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONT.):

Deferred taxes (cont.)

Deferred taxes are offset in the statement of financial position if there is a legally enforceable right to offset a current tax asset against a current tax liability and the deferred taxes relate to the same taxpayer and the same taxation authority.

Current income tax

Tax is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity. In this case, the tax is also recognized directly in equity, respectively. The current income tax charge is calculated on the basis of the tax laws enacted at the statement of financial position date in countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Property, plant and equipment

Items of property, plant and equipment are initially recognized at cost. Cost includes directly attributable costs and the estimated present value of any future costs of dismantling and removing items. Depreciation is computed by the straight line method, based on the estimated useful lives of the assets, as follows:

	%
Machinery and Equipment	4-15
Motor Vehicles	15
Office Equipment	7-20
Leasehold improvements	20

Revenue recognition

The Company has two streams of revenues as follows:

1. The Company enters into long-term fixed-price contracts with customers to provide irrigation and water systems. Revenues on these long-term fixed-price contracts are recognized under the percentage-of-completion method. In using the percentage of completion method, revenues are generally recorded based on the percentage of cost incurred to date on a contract relative to the estimated total expected contract cost. Management uses historical experience, project plans and an assessment of the risks and uncertainties inherent in the arrangement to establish the total estimated costs. The percentage of completion is established by the costs incurred to date as a percentage of the estimated total costs of each contract (cost-to-cost method). Contract costs include all direct material and labor costs.

The Company recognizes revenues on a project when persuasive evidence of an arrangement exists, recoverability is probable, and project costs are incurred. The Company recognizes anticipated contract losses, if any, in the period in which they first became evident.

IRRI-AL-TAL LTD.
NOTES TO FINANCIAL STATEMENTS
(In thousands of US Dollars)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONT.):

Revenue recognition (cont.)

2. Revenues from the sales of products are recognized when persuasive evidence of an arrangement exists; delivery has occurred, consideration is fixed and determinable; and collection of the resulting receivable is reasonably assured. The title and risk of loss passes to the customer, delivery has occurred and acceptance is satisfied as the product leaves the Company premises.

New IFRSs in the period prior to their adoption

IFRS 9 Financial Instruments:

In July 2014, the IASB issued the final and complete version of IFRS 9, "Financial Instruments" ("**IFRS 9**"), which replaces IAS 39, "Financial Instruments: Recognition and Measurement". IFRS 9 mainly focuses on the classification and measurement of financial assets and it applies to all assets in the scope of IAS 39 .

According to IFRS 9, all financial assets are measured at fair value upon initial recognition. In subsequent periods, debt instruments are measured at amortized cost only if both of the following conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect the contractual cash flows.
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent measurement of all other and financial assets should be at fair value.

Financial assets that are equity instruments should be measured in subsequent periods at fair value and the changes recognized in profit or loss or in other comprehensive income, in accordance with the election by the Company on an instrument-by-instrument basis. If equity instruments are held for trading, they should be measured at fair value through profit or loss.

According to IFRS 9, the provisions of IAS 39 will continue to apply to de-recognition and to financial liabilities for which the fair value option has not been elected. According to IFRS 9, changes in the fair value of financial liabilities which are attributable to the change in credit risk should be presented in other comprehensive income. All other changes in fair value should be presented in profit or loss.

Impairment - The impairment model is a more 'forward looking' model in that a credit event no longer has to occur before credit losses are recognized. For financial assets measured at amortized cost or fair value through other comprehensive income, an entity will now always recognize (at a minimum) 12 months of expected losses in profit or loss. Lifetime expected losses will be recognized on these assets when there is a significant increase in credit risk after initial recognition.

IFRS 9 is to be applied for annual periods beginning on January 1, 2018. Early adoption is permitted. The Company believes that IFRS 9 is not expected to have a material impact on its financial statements.

IRRI-AL-TAL LTD.
NOTES TO FINANCIAL STATEMENTS
(In thousands of US Dollars)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONT.):

New IFRSs in the period prior to their adoption (cont.)

IFRS 15 – "Revenue from Contracts with Customers" (hereafter – IFRS 15)

Upon first time application, IFRS 15 shall replace other IFRS provisions relating to revenue recognition. The core principle of IFRS 15 is that an entity will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

IFRS 15 sets out a single revenue recognition model, according to which the entity shall recognize revenue in accordance with the said core principle by implementing a five-step model framework:

- 1) Identify the contract(s) with a customer
- 2) Identify the performance obligations in the contract
- 3) Determine the transaction price
- 4) Allocate the transaction price to the performance obligations in the contract
- 5) Recognize revenue when the entity satisfies a performance obligation.

IFRS 15 provides guidance about various issues related to the application of the said model, including: recognition of revenue from variable consideration set in the contract, adjustment of the price of transaction set in the contract in order to reflect the effect of the time value of money and costs to obtain or fulfill a contract.

IFRS 15 extends the disclosure requirements regarding revenue and requires, among other things, that entities disclose qualitative and quantitative information about significant judgments made by management in determining the amount and timing of the revenue.

The standard shall be applied retrospectively for annual reporting periods starting on January 1, 2018 or thereafter.

The Company is currently examining whether the control of the goods and services of its projects in long term contracts is transferred to the customer overtime. In other aspects of the Standard, the Company expects that IFRS 15 will not have a material impact on its financial statements.

IFRS 16 – "Leases" (hereafter – IFRS 16)

Adoption of IFRS 16 will result in the Company recognizing right of use assets and lease liabilities for all contracts that are, or contain, a lease. For leases currently classified as operating leases, under current accounting requirements the Company does not recognize related assets or liabilities, and instead spreads the lease payments on a straight-line basis over the lease term, disclosing in its annual financial statements the total commitment.

Instead of recognizing an operating expense for its operating lease payments, the Company will instead recognize interest on its lease liabilities and amortization on its right-of-use assets.

The amendments are effective for reporting periods (interim and annual) beginning after January 1, 2019.

The Company believes that IFRS 16 is not expected to have a material impact on its financial statements.

IRRI-AL-TAL LTD.
NOTES TO FINANCIAL STATEMENTS
(In thousands of US Dollars)

NOTE 3 - CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS:

The areas requiring the use of estimates and critical judgments that may potentially have a significant impact on the Company's earnings and financial position are the recognition and amortization of development costs and the useful life of property and equipment and income tax.

Revenue recognition

The Company enters into long-term fixed-price contracts with customers to provide irrigation and water systems. Revenues on these long-term fixed-price contracts are recognized under the percentage-of-completion method. In using the percentage of completion method, revenues are generally recorded based on the percentage of cost incurred to date on a contract relative to the estimated total expected contract cost. Management uses historical experience, project plans and an assessment of the risks and uncertainties inherent in the arrangement to establish the total estimated costs. The percentage of completion is established by the costs incurred to date as a percentage of the estimated total costs of each contract (cost-to-cost method). Contract costs include all direct material and labor costs.

Taxes on income

The Company recognized tax-related assets and liabilities based on the Company's current understanding of tax laws as applied to the Company's circumstances. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

NOTE 4 - OTHER ACCOUNTS RECEIVABLE:

	December 31,	
	2017	2016
Advances to suppliers	380	13
Government authorities	148	45
Shareholder (Note 15)	59	36
Other	121	108
	<u>708</u>	<u>202</u>

NOTE 5 - INVENTORY:

	December 31,	
	2017	2016
Finished goods	<u>807</u>	<u>61</u>

IRRI-AL-TAL LTD.
NOTES TO FINANCIAL STATEMENTS
(In thousands of US Dollars)

NOTE 6 - INVESTMENT IN ASSOCIATED COMPANY:

On July 20, 2017, the Company purchased a 50% interest in Kama Agrarian Ltd. ("**Kama**") in consideration for \$180. The investment is accounted based on the equity method. Kama is engaged in development of organic agriculture projects internationally.

On March 26, 2018 Kama allocated 22 ordinary shares in the capital of Kama, which is equivalent to a 5% interest in Kama, to Yanai Information Resources Management and Business Consulting Ltd. ("**Yanai**"), a third party unrelated to the Company. As a result of this transfer to Yanai, the Company's ownership in Kama was reduced to 45%.

NOTE 7 - PROPERTY, PLANT AND EQUIPMENT, NET:

	Machinery and Equipment	Leasehold improvements	Motor Vehicles	Office Equipment	Total
<u>Cost</u>					
As of January 1, 2016	116	79	155	63	413
Additions	5	-	49	3	57
Disposal	-	-	(33)	-	(33)
As of January 1, 2017	121	79	171	66	437
Additions	17	5	39	1	62
As of December 31, 2017	138	84	210	67	499
<u>Accumulated depreciation</u>					
As of January 1, 2016	100	78	42	29	249
Additions	8	1	24	4	37
Disposal	-	-	(6)	-	(6)
As of January 1, 2017	108	79	60	33	280
Additions	8	-	28	4	40
As of December 31, 2017	116	79	88	37	320
<u>Net Book Value:</u>					
As of December 31, 2017	22	5	122	30	179
As of December 31, 2016	13	-	111	33	157

IRRI-AL-TAL LTD.
NOTES TO FINANCIAL STATEMENTS
(In thousands of US Dollars)

NOTE 8 - OTHER ACCOUNTS PAYABLE:

	December 31,	
	2017	2016
Advances from customers	247	68
Government authorities	153	39
Vacation accrual	63	35
Employee related liabilities	58	33
Accrued expenses	4	4
Other	24	10
	<u>549</u>	<u>189</u>

NOTE 9 - LONG TERM LOANS:

A. Composition:

	December 31,	
	2017	2016
Long term loans	717	620
Less – Current portion and short-term loans	<u>(336)</u>	<u>(268)</u>
Total Long-term portion of loans	<u>381</u>	<u>352</u>

The above-mentioned loans are with Israeli banks and interest rate ranges between 3.5% and 6%.

Liens – see note 10.

B. Reconciliation of the changes in liabilities for which cash flows have been, or will be classified as financing activities in the statement of cash flows:

	Bank loans
As of January 1, 2017	620
Changes from financing cash flows	
Receipts of long term loans from bank	573
Repayment of loans	<u>(506)</u>
Total changes from financing cash flows	67
Accrued interest of long term loans	<u>30</u>
As of December 31, 2017	<u>717</u>
As of January 1, 2016	508
Changes from financing cash flows	
Receipts of long term loans from bank	1,192
Repayment of loans	<u>(1,104)</u>
Total changes from financing cash flows	88
Accrued interest of long term loans	<u>24</u>
As of December 31, 2016	<u>620</u>

IRRI-AL-TAL LTD.
NOTES TO FINANCIAL STATEMENTS
(In thousands of US Dollars)

NOTE 9 – LONG TERM LOANS (CONT.):

	Bank loans
As of January 1, 2015	333
Changes from financing cash flows	
Receipts of long term loans from bank	447
Repayment of loans	(291)
Total changes from financing cash flows	156
Accrued interest of long term loans	19
As of December 31, 2015	508

NOTE 10 – LIENS AND COMMITMENTS:

A. Liens

- (i) All of the Company's five motor vehicles are pledged as security to the banks and financial institutions who granted the loans for the purchase of the motor vehicles. The total amount of the loans secured by the Company's motor vehicles is \$97. The pledges are in place until the loans have been repaid.
- (ii) Short-term deposits in the amount of \$79, \$56 and \$13 are secured to an Israeli bank.
- (iii) The Company recorded a floating charge over all the Company's assets in favor of an Israeli bank.
- (iv) The Company recorded a first charge on the assets of the Company in the amount of \$303 to an Israeli bank until the total repayment of loans which have a balance of \$255 as of December 31, 2017.

B. Leases

The Company leases its office facilities and warehouses under operating leases. Total rent expense under these operating leases was \$64, \$23 and \$22 for the years ended December 31, 2017, 2016 and 2015, respectively. Future minimum lease commitments under operating leases as of December 31, 2017 are as follows:

Year ended December 31:	\$ in thousands
2018	22

NOTE 11 – SHAREHOLDERS' EQUITY:

The ordinary shares in the Company confer upon their holders the right to receive notice, to participate and vote in general meetings of the Company and the right to receive dividends, if and when declared.

	Number of shares as of December 31, 2017, 2016 and 2015	
	Authorized	Issued and outstanding
Common stock, 1 NIS par value	50,000	100

IRRI-AL-TAL LTD.
NOTES TO FINANCIAL STATEMENTS
(In thousands of US Dollars)

NOTE 12 - REVENUES:

1. Geographic Areas Information:

The following present total revenues for the years ended December 31, 2017, 2016 and 2015:

	For the year ended December 31,		
	2017	2016	2015
Africa	4,655	308	176
South and Central America	4,309	3,305	2,867
Asia	1,180	970	2,380
Europe	296	366	508
Others	139	275	239
	<u>10,579</u>	<u>5,224</u>	<u>6,170</u>

2. Principal Customers:

Major customers over 10% of the Company's revenues:

	2017	2016	2015
Customer A	25%	-	-
Customer B	14%	-	-

NOTE 13 - SELLING, GENERAL AND ADMINISTRATIVE EXPENSES:

	For the year ended December 31,		
	2017	2016	2015
Salary and related expenses	423	298	426
Office expenses	72	60	70
Professional services	66	60	32
Depreciation	40	37	39
Other	106	71	151
	<u>707</u>	<u>526</u>	<u>718</u>

NOTE 14 - TAXES ON INCOME:

- A. The Company received final tax assessments in Israel through tax year 2013.
- B. The corporate tax rate in Israel is 26.5%, 25% and 24% for 2015, 2016 and 2017 respectively.
- C. In December 2016, the Income Tax Ordinance Amendment Law was published. The law sets forth that the corporate tax rate will be lowered to 23% (instead of 25%). The new corporate tax rate will apply to revenues generated starting from January 1, 2018.

IRRI-AL-TAL LTD.
NOTES TO FINANCIAL STATEMENTS
(In thousands of US Dollars)

NOTE 14 - TAXES ON INCOME (CONT.):

D. Tax reconciliation:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Profit before tax	872	(146)	(101)
Corporate statutory tax rate	24%	25%	26.5%
Theoretical tax charge at applicable corporate statutory rate	(208)	37	27
Change in deferred taxes on temporary differences	7	(2)	10
Income tax (expenses) benefit	(201)	35	37

E. Provision for Taxes:

	<u>Year ended December 31,</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Current year tax	144	-	-
Deferred tax	57	(35)	(37)
	201	(35)	(37)

F. Deferred tax assets (liabilities):

Deferred tax assets (liabilities) reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The Company's deferred tax liabilities resulting from temporary differences are as follows:

	<u>December 31, 2017</u>	<u>December 31, 2016</u>	<u>December 31, 2015</u>
Net operational losses carry forwards	-	64	27
Provision for vacation	15	8	10
Total deferred tax assets (liabilities), net	15	72	37

NOTE 15 - RELATED PARTIES AND SHAREHOLDERS:

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party's making of financial or operational decisions, or if both parties are controlled by the same third party. The Company has transactions with key management personal.

	<u>Year ended December 31,</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Management fees paid to the CEO	127	79	125
	<u>As of December 31,</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Balances owing by the CEO	59	36	58

IRRI-AL-TAL LTD.
NOTES TO FINANCIAL STATEMENTS
(In thousands of US Dollars)

NOTE 16 - FINANCIAL INSTRUMENTS AND RISK MANAGEMENT:

The Company is exposed to a variety of financial risks, which results from its financing, operating and investing activities. The objective of financial risk management is to contain, where appropriate, exposures in these financial risks to limit any negative impact on the Company's financial performance and position. The Company's financial instruments are its cash, trade and other receivables, payables, and other payable. The Company actively measures, monitors and manages its financial risk exposures by various functions pursuant to the segregation of duties and principals. The risks arising from the Company's financial instruments are mainly credit risk and currency risk. The risk management policies employed by the Company to manage these risks are discussed below.

Credit risk:

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the balance sheet date. The Company closely monitors the activities of its counterparties and controls the access to its intellectual property which enables it to ensure the prompt collection of customers' balances. The Company's main financial assets are cash and cash equivalents which represent the Company's maximum exposure to credit risk in connection with its financial assets. Wherever possible and commercially practical the Company holds cash with major financial institutions in Israel. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	December 31, 2017	December 31, 2016
Cash and cash equivalents	174	91
Short term deposit	126	134
Trade accounts receivable	3,741	2,566
Other accounts receivable	708	202
Total	<u>4,749</u>	<u>2,993</u>

IRRI-AL-TAL LTD.
NOTES TO FINANCIAL STATEMENTS
(In thousands of US Dollars)

NOTE 16 - FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONT.):

Currency risk:

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company's functional currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the New Israeli Shekel. The Company's policy is not to enter into any currency hedging transactions.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

Assets	December 31, 2017		
	NIS	EURO	Total
Cash and cash equivalents	25	55	80
Short term deposit	112	14	126
Trade accounts receivable	272	55	327
	<u>409</u>	<u>124</u>	<u>533</u>

Liabilities	December 31, 2017		
	NIS	EURO	Total
Short term bank credit	144	-	144
Trade accounts payable	160	19	179
Other accounts payable	302	243	545
	<u>606</u>	<u>262</u>	<u>868</u>

Assets	December 31, 2016		
	NIS	EURO	Total
Cash and cash equivalents	(9)	62	53
Short term deposit	72	49	121
Trade accounts receivable	77	16	93
	<u>140</u>	<u>127</u>	<u>267</u>

Liabilities	December 31, 2016		
	NIS	EURO	Total
Short term bank credit	171	-	171
Trade accounts payable	73	90	163
Other accounts payable	151	23	174
	<u>395</u>	<u>113</u>	<u>508</u>

IRRI-AL-TAL LTD.
NOTES TO FINANCIAL STATEMENTS
(In thousands of US Dollars)

NOTE 16 - FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONT.):

Sensitivity analysis:

A 10% strengthening of the United States Dollar against the following currencies would have increased (decreased) equity and the income statement by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. For a 10% weakening of the United States Dollar against the relevant currency, there would be an equal and opposite impact on the profit and other equity.

	2017	2016
Linked to NIS	(197)	(255)
	10%	10%
	(20)	(26)
Linked to EURO	(138)	14
	10%	10%
	(14)	1

Liquidity risks:

Liquidity risk is the risk that arises when the maturity of assets and the maturity of liabilities do not match. An unmatched position potentially enhances profitability but can also increase the risk of loss.

The Company has procedures with the object of minimizing such loss by maintaining sufficient cash and other highly liquid current assets and by having an available adequate amount of committed credit facilities. As of the following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

	December 31, 2017	December 31, 2016
Short term bank credit	336	268
Trade accounts payable	3,335	2,524
Other accounts payable	549	189
	4,220	2,981

IRRI-AL-TAL LTD.
NOTES TO FINANCIAL STATEMENTS
(In thousands of US Dollars)

NOTE 17 - SUBSEQUENT EVENTS:

A. CHANGES IN SHARE CAPITAL

On February 26, 2018, the Company increased its authorized share capital from 100 Shares to 100,000,000 Shares and on April 8, 2018, the Company completed a share split of 285,000 for 1, which increased the issued and outstanding shares of the Company to 28,500,000 Shares each with a par value of NIS 0.0000035.

B. SHARE ISSUANCES

On April 3, 2018, the Company issued 1,653,571 IAT Shares to a consultant in respect of services rendered to the Company.

On April 8, 2018, following the completion of the Brokered Private Placement (as hereinafter defined), the Company issued 2,068,390 IAT Shares to a consultant in respect of services rendered to the Company.

C. BROKERED PRIVATE PLACEMENT

On April 16, 2018, the Company completed a brokered private placement resulting in gross proceeds of CAD\$1,391,775 (the "**Brokered Private Placement**"). The Brokered Private Placement involved the sale of 3,976,502 units at a price of CAD \$0.35 per unit (the "**Brokered Units**"), with Foundation Markets Inc. ("**FMI**"), which had acted as the agent for the Brokered Private Placement. Each Brokered Unit is comprised of one IAT Share and one half ordinary share purchase warrant (the "**Brokered Warrants**"). Each Brokered Warrant entitles the holder thereof to acquire one additional Common Share at an exercise price equal to the lower of (i) CAD \$0.55 and (ii) the price per security at which securities are issued in any financing completed in connection with a liquidity event for the Company, as defined in the agency agreement dated as of April 16, 2018 ("**Qualifying Event**"), with such Brokered Warrants being exercisable for a period of 24 months from the closing date of the Qualifying Event.

With respect to the first closing of the Brokered Private Placement, the Company paid finder's fees of CAD\$111,342 and issued 318,120 options (the "**Broker Options**"). Each Broker Option entitles the holder thereof to acquire one additional IAT Share at an exercise price of CAD\$0.35 per Broker Option at any time until the earlier of (i) the two-year anniversary of the closing of a Qualifying Event or (ii) five years from the closing date on which the applicable Broker Options were issued.

On May 29, 2018, the Company completed the second closing of the Brokered Private Placement resulting in gross proceeds of CAD\$358,225 ("**Second Closing**"). The Second Closing involved the sale of 1,023,499 Brokered Units.

With respect to the Second Closing of the Brokered Private Placement, the Company paid finder's fees of CAD\$28,658 and 81,880 Broker Options.

IRRI-AL-TAL LTD.
NOTES TO FINANCIAL STATEMENTS
(In thousands of US Dollars)

NOTE 17 – SUBSEQUENT EVENTS (CONT.):

D. LETTER OF INTENT WITH SAGITTARIUS CAPITAL CORPORATION (CONT.)

Prior to completion the Securities Exchange, and subject to shareholder approval, Sagittarius intends to complete a share consolidation ("**Consolidation**") on the basis of 1 common share in the capital of Sagittarius ("**Sagittarius Share**") for every 1.4964285 pre-Consolidation share issued and outstanding.

On June 21, 2018, the Company entered into an amended and restated LOI with Sagittarius pursuant to which, Sagittarius will acquire all issued and outstanding shares of the Company in the Securities Exchange by issuing two (2) Sagittarius Share for each IAT Share issued and outstanding. Compared to the original LOI entered into on December 28, 2017, the terms of the amended and restated LOI provided for an increase in the exchange ratio from one post-consolidation Sagittarius Share for each IAT Share to two post-consolidation Sagittarius Shares for each IAT Shares issued and outstanding ("**Exchange Ratio**").

Prior to completing the Securities Exchange, the Company intends to complete an additional private placement ("**Concurrent Private Placement**") of units ("**IAT Units**") at a price of CAD\$0.50 per IAT Unit for gross proceeds of up to CAD\$2,000,000. Each IAT Unit will be comprised of one IAT Share and one half of one (1/2) IAT Share purchase warrant ("**IAT Warrant**"), each exercisable into IAT Shares at a price of CAD\$0.80 for a period of 24 months from the date of issuance. The Company will also pay a finder's fee equal to 8% of the gross proceeds raised under the Concurrent Private Placement and issue finder's warrants ("**PP Finder's Warrants**") equal to 8% of the IAT Units issued to qualified finders under the applicable securities legislation. Each PP Finder's Warrant will be exercisable into IAT Shares at a price of CAD\$0.50 per IAT Share for a period of 24 months from issuance. IAT Units, PP Finder's Warrants and IAT Warrants underlying the IAT Units will be exchanged for corresponding securities of Sagittarius in accordance with the Exchange Ratio, with the exercise prices adjusted accordingly to reflect the Exchange Ratio.

In addition, Sagittarius announced that it has entered into engagement letter with Leede Jones Gable Inc. ("**Agent**") to act as the lead agent for an offering ("**Concurrent Financing**") of securities of Sagittarius to be completed immediately prior to, and as a condition of the Securities Exchange, but after completing the Consolidation. Leede Jones Gable Inc. is one of Canada's leading independent investment dealers providing a full range of investment products and services with offices across Canada. It is intended the Concurrent Financing will be conducted as a public offering of units of Sagittarius ("**Units**") via a prospectus. Pursuant to the Concurrent Financing, Sagittarius intends to issue up to 16,000,000 Units at a price of CAD\$0.25 per Unit for maximum gross proceeds of CAD\$4,000,000 ("**Maximum Offering**") and a minimum of 8,000,000 Units for the minimum gross proceeds of CAD\$2,000,000 ("**Minimum Offering**"). The Company will also grant the Agent an overallotment option to sell additional Units up to 15% of the Maximum Offering.

IRRI-AL-TAL LTD.
NOTES TO FINANCIAL STATEMENTS
(In thousands of US Dollars)

NOTE 17- SUBSEQUENT EVENTS (CONT.):

D. LETTER OF INTENT WITH SAGITTARIUS CAPITAL CORPORATION (CONT.)

Each Unit will be comprised of one Sagittarius Share and ½ of one Sagittarius Share purchase warrant ("**QT Warrant**"). Each QT Warrant will allow the holder to purchase one Sagittarius Share at a price of CAD\$0.40 per Sagittarius Share for a period of 24 months from the date of issuance, subject to certain acceleration provision on the expiration. The Company also agreed to pay the Agent a cash fee equal to 8% of the gross proceeds of the funds raised under the Concurrent Financing and issue broker warrants ("**Broker Warrants**") equal to 8% of the Units sold under the Concurrent Financing. The Broker Warrants will be exercisable into Sagittarius Shares at a price of CAD\$0.25 per Sagittarius Shares for a period of 24 months from the date of issuance.

SCHEDULE "C"
UNAUDITED FINANCIAL STATEMENTS OF IRRI-AL-TAL
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2018

IRRI-AL-TAL LTD.
CONDENSED INTERIM FINANCIAL STATEMENTS
AS OF JUNE 30, 2018

UNAUDITED

IRRI-AL-TAL LTD.
CONDENSED INTERIM FINANCIAL STATEMENTS AS OF JUNE 30, 2018

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
TO THE SHAREHOLDERS OF
Irri Al-Tal LTD.

Introduction

We have reviewed the accompanying statements of financial position of Irri Al-Tal LTD. (the "Company") as of June 30, 2018 and the related statements of comprehensive loss, changes in shareholders' equity and cash flows for the three month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard IAS 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". Review of Interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not present fairly, in all material respects, the financial position of the Company as at June 30, 2018, and of its financial performance and its cash flows for the three month period then ended in accordance with International Accounting Standard IAS 34.

Tel-Aviv, Israel
November 18, 2018


Ziv haft
Certified Public Accountants (Isr.)
BDO Member Firm

Tel Aviv	Jerusalem	Haifa	Beer Sheva	Bene Berak	Kiryat Shmona	Petach Tikva	Modiin Illit	Nazareth Illit	Eilat
+972-3-6386868	+972-2-6546200	+972-4-8680600	+972-77-7784100	+972-73-7145300	+972-77-5054906	+972-77-7784180	+972-8-9744111	+972-4-6555888	+972-8-6339911

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IRRI-AL-TAL LTD
CONDENSED INTERIM FINANCIAL STATEMENTS OF FINANCIAL POSITION
(In thousands of US Dollars, except per share data)

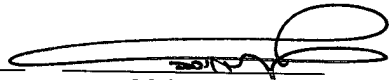
	June 30, 2018 (Unaudited)	December 31, 2017
CURRENT ASSETS:		
Cash and cash equivalents	1,927	174
Short term deposits	171	126
Trade accounts receivable	3,400	3,741
Other accounts receivable	1,065	708
Inventory	1,194	807
Total current assets	<u>7,757</u>	<u>5,556</u>
NON-CURRENT ASSETS:		
Deferred tax asset	21	15
Investments in associated company	161	179
Property, plant and equipment, net	202	179
Total non-current assets	<u>384</u>	<u>373</u>
TOTAL ASSETS	<u>8,141</u>	<u>5,929</u>
CURRENT LIABILITIES:		
Short term loans and current portion of long term loans	137	336
Trade accounts payable	3,869	3,335
Deferred revenues	743	707
Other accounts payable	419	549
Total current liabilities	<u>5,168</u>	<u>4,927</u>
NON-CURRENT LIABILITIES:		
Long term loans	262	381
Derivative- warrants	48	-
Total non-current liabilities	<u>310</u>	<u>381</u>
SHAREHOLDERS' EQUITY:		
Share capital	*	*
Additional paid in capital	1,542	-
Retained earnings	1,121	621
Total shareholders' equity	<u>2,663</u>	<u>621</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>8,141</u>	<u>5,929</u>

* Represent an amount lower than 1 thousand.

November 18, 2018

Date of approval


Ohad Haber
CEO


Meira Zada
CFO

The accompanying notes are an integral part of the Condensed Interim financial statements.

IRRI-AL-TAL LTD
CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE INCOME
(In thousands of US Dollars)

	For the three months ended June 30,		For the six months ended June 30,	
	2018	2017	2018	2017
	Unaudited	Unaudited	Unaudited	Unaudited
Revenues:				
Services	3,185	2,161	4,098	2,532
Products	1,489	648	2,630	1,358
Total revenues	<u>4,674</u>	<u>2,809</u>	<u>6,728</u>	<u>3,890</u>
Cost of revenues:				
Services	2,624	1,770	3,229	2,035
Products	1,302	598	2,297	1,239
Total cost of revenues	<u>3,926</u>	<u>2,368</u>	<u>5,526</u>	<u>3,274</u>
Gross profit	748	441	1,202	616
Selling, general and administrative expenses	322	149	556	290
Operating profit	<u>426</u>	<u>292</u>	<u>646</u>	<u>326</u>
Finance expenses	3	20	19	151
Finance Income	(44)	-	(46)	(1)
Share in loss of associated company	2	-	18	-
Profit before taxes on income	<u>465</u>	<u>272</u>	<u>655</u>	<u>176</u>
Tax on income	110	16	155	-
Total comprehensive income	<u>355</u>	<u>256</u>	<u>500</u>	<u>176</u>
Basic profit per share attributable to shareholders (*):	US \$0.01	US\$ 0.009	US\$ 0.016	US\$ 0.006
Weighted average number of common shares outstanding:	35,193,024	28,500,000	31,846,512	28,500,000

*The amounts presented after giving the effect of share split as noted in Note 4.

The accompanying notes are an integral part of the Condensed Interim financial statements.

IRRI-AL-TAL LTD
CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(In thousands of US Dollars)

For the six months period ended June 30, 2018:

	Number of Shares	Share capital	Additional paid-in capital	Retained earnings	Total Shareholders' equity
Balance at January 1, 2018 (Audited)	100	*	-	621	621
Share split	28,499,900	-	-	-	-
Issuance of shares, net	5,000,000	-	1,181	-	1,181
Share issuance to consultants	3,721,961	*	361		361
Net profit for the period	-	-	-	500	500
Balance at June 30, 2018 (Unaudited)	<u>37,221,961</u>	<u>*</u>	<u>1,542</u>	<u>1,121</u>	<u>2,663</u>

For the six months period ended June 30, 2017:

	Number of Shares	Share capital	Retained earnings (Deficit)	Total Shareholders' equity
Balance at January 1, 2017 (Audited)	100	*	(50)	(50)
Net profit for the period	-	-	176	176
Balance at June 30, 2017 (Unaudited)	<u>100</u>	<u>*</u>	<u>126</u>	<u>126</u>

* Represents an amount lower than \$ 1 thousand.

The accompanying notes are an integral part of the condensed interim financial statements.

IRRI-AL-TAL LTD.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS OF CASH FLOWS
(In thousands of US Dollars, except per share data)

	For the six months ended June 30, 2018	For the six months ended June 30, 2017
	(unaudited)	(unaudited)
CASH FLOWS FROM OPERATING		
ACTIVITIES:		
Net profit for the period	500	176
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation	21	18
Changes in deferred tax assets	(6)	(7)
Share in loss of associated company	18	-
Changes in trade accounts receivable	341	(648)
Changes in trade accounts payable	534	(296)
Accrued interest	10	8
Changes in other accounts receivable	(4)	(63)
Changes in inventory	(387)	(748)
Changes in other accounts payable	(130)	1,617
Changes in deferred revenues	36	1,529
Net cash provided by operating activities	<u>933</u>	<u>1,586</u>
CASH FLOWS FROM INVESTING		
ACTIVITIES:		
Repayments (Grant) of loans to others	10	(8)
Change in deposits	(44)	(37)
Purchase of property, plant and equipment	(44)	(9)
Net cash used in investing activities	<u>(78)</u>	<u>(54)</u>
CASH FLOWS FROM FINANCING		
ACTIVITIES:		
Proceeds from receipt of loans	-	456
Repayments of short term loans	(328)	(422)
Issuance of shares and warrants, net	1,231	-
Net cash provided by financing activities	<u>903</u>	<u>34</u>
Effect of foreign exchange rate changes on cash and cash equivalents	<u>(5)</u>	<u>(1)</u>
Increase in cash and cash equivalents	1,753	1,565
Cash and cash equivalents at beginning of the period	<u>174</u>	<u>91</u>
Cash and cash equivalents at the end of the period	<u><u>1,927</u></u>	<u><u>1,656</u></u>

The accompanying notes are an integral part of the Condensed Interim financial statements.

IRRI-AL-TAL LTD.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS OF CASH FLOWS
(In thousands of US Dollars, except per share data)

NOTE 1 - GENERAL:

Irri-Al-Tal (the "**Company**" or "**Irri-Al-Tal**") was incorporated on October 11, 2003 under the laws of the State of Israel. Irri-Al-Tal's registration number is 513467944, with its registered and head office address at P.O.B. 7 Kibbutz Ramat-David 3658700, Israel. Irri-Al-Tal is an agriculture technology company that specializes in providing water irrigation solutions to agricultural producers. Irri-Al-Tal competes in the global irrigation water systems market with a focus on developing solutions with commercial applications in the micro and precision irrigation segments of the overall market.

On December 28, 2017, the Company entered into a letter of intent with Sagittarius Capital Corporation ("**Sagittarius**"), a company incorporated in Canada and traded on the NEX board of the TSX Venture Exchange pursuant to which the Company will exchange all its issued and outstanding common shares for common shares of Sagittarius and become a wholly-owned subsidiary of the Sagittarius ("**Securities Exchange**" or "**Exchange**"). Completion of the transaction is subject to completion of due diligence, receipt of all required regulatory, director and shareholder approvals, execution of definitive agreements and certain other conditions that are customary for transactions of this nature. If successful, the combined entity ("**Resulting Issuer**") will continue as a publicly listed company on the Exchange. The Securities Exchange is intended to constitute Sagittarius' qualifying transaction in accordance with the policies of the Exchange.

On August 23, 2018 a preliminary prospectus was filed by Sagittarius to complete an offering ("**Offering**"), The Offering consists of a minimum of 8,000,000 Units and a maximum of 16,000,000 Units at a price of CAD\$ 0.25 per Unit for gross proceeds of a minimum of CAD\$ 2,000,000 and a maximum of CAD\$ 4,000,000. Each Unit is comprised of one common share of the Company ("**Common Shares**") and one half of one common share purchase warrant ("**Warrants**"). Each Warrant is exercisable into one Common Share at CAD\$ 0.40 per Common Share for 24 months from the closing of the Offering (subject to certain conditions). The Company also granted the Agent an option to offer up to an additional 15% of the Units (2,400,000 additional Units for gross proceeds up to CAD\$ 600,000), solely to cover over-allotments, if any, exercisable in whole or in part, at any time up to 48 hours prior to the closing of the Offering. In addition, Sagittarius also announces that all matters were approved at its recent annual and special meeting of shareholders including the name change and share consolidation that are conditions to the completion of the transaction with the Company.

IRRI-AL-TAL LTD.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS OF CASH FLOWS
(In thousands of US Dollars, except per share data)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES:

Statement of Compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34, "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

The financials were prepared based on the same accounting policy as of the annual financials, except for as mentioned under new standards. These condensed interim financial statements should be read in conjunction with the Company's annual financial statements for the year ending December 31, 2017.

Basis of Presentation

The condensed interim financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value.

New standards, interpretations and amendments effective from January 1, 2018

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final and complete version of IFRS 9, "Financial Instruments" ("**IFRS 9**"), which replaces IAS 39, "Financial Instruments: Recognition and Measurement". IFRS 9 mainly focuses on the classification and measurement of financial assets and it applies to all assets in the scope of IAS 39 .

According to IFRS 9, the provisions of IAS 39 will continue to apply to de-recognition and to financial liabilities for which the fair value option has not been elected. According to IFRS 9, changes in the fair value of financial liabilities which are attributable to the change in credit risk should be presented in other comprehensive income. All other changes in fair value should be presented in profit or loss.

IFRS 9 is to be applied for annual periods beginning on January 1, 2018.

IRRI-AL-TAL LTD.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS OF CASH FLOWS
(In thousands of US Dollars, except per share data)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONT.):

IFRS 9 Financial Instruments (continued)

Expected credit losses ("ECL") and their measurement

In order to manage the credit risks associated with customer receivables, Irri-Al-Tal aims to secure certain financial guarantees prior to entering into business relationship with its customers. To this end, Irri-Al-Tal has developed a three-level matrix, which is based on past experience and historical data along with projections of the future into consideration, in order to group the ECL:

1. Receivable guaranteed by an irrevocable letter of credit from a first-tier international bank taking into consideration the creditworthiness of the bank that provides such assurance ("LC Client").
2. Receivables which are not guaranteed by a letter of credit but fall under a foreign trade risk insurance policy issued by an international insurer guaranteeing the receivable in the event of non-payment, including among others: political and foreign currency risks ("Insurance Guaranteed Client").
3. Customers which don't comply with the terms of the above policy - Irri-Al-Tal takes into consideration specific history such as: length of relationship with the customer, unpaid balances, past late payments, general business and economic factors in a jurisdiction where the customer conducts business supported by the external market research ("Other Clients").

ECL are measured as the unbiased probability-weighted present value of all cash shortfalls over the expected life of each financial asset. For receivables from financial services, ECL are mainly calculated with a statistical model using three major risk parameters: probability of default, loss given default and exposure at default. The estimation of these risk parameters incorporates all available relevant information, not only historical and current loss data, but also reasonable and supportable forward-looking information reflected by the future expectation factors. This information includes macroeconomic factors (e.g., gross domestic product growth, unemployment rate, cost performance index) and forecasts of future economic conditions. For receivables from financial services, these forecasts are performed using a scenario analysis (base case, adverse and optimistic scenarios).

IRRI-AL-TAL LTD.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS OF CASH FLOWS
(In thousands of US Dollars, except per share data)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONT.):

IFRS 9 Financial Instruments (continued)

As of June 30, 2018, and December 31, 2017, ECL for trade and other account receivables are not material, and as such are not disclosed in the financial assets measurement categories in accordance with IAS 39 and IFRS 9. These figures are not presented in separate measurement category on the loss allowance at that date, in accordance with IFRS 7.

- Definition of default, including reasons for selecting the definition

Prior to commencing a business relationship, Irri-Al-Tal will enter into an agreement with the customer. The agreement or contract typically includes details of the terms of payment to which the customer is entitled. In most cases, the customer updates Irri-Al-Tal if there is a delay in the payment beyond the terms of the agreement. Any delays in payment for more than two months are subject to approval of the management. If a customer's scheduled payment is delayed by more than two months and such delay is not approved by Irri-Al-Tal's management, the CEO will typically make directly contact with the customer's management and inform them of the overdue obligation and that Irri-Al-Tal will pursue remedies available to collect the overdue payment. If the customer and Irri-Al-Tal are not able to resolve the matter at that time, at this point the receivable is considered to be in default as Irri-Al-Tal is the collectability is no longer certain. If the collection effort is not successful, Irri-Al-Tal will retain legal counsel in the applicable country to assist with collection and sends a demand letter to that effect.

- Write-off policy

Irri-Al-Tal writes off its financial assets if any of the following occur:

- Inability to locate the debtor.
- Discharge of the debt in a bankruptcy.
- It is determined that the efforts to collect the debt are no longer cost effective given the size of receivable.

The collections department must comply with the collection efforts outlined in the policy to collect on delinquent customer accounts before any write-offs are made.

IRRI-AL-TAL LTD.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS OF CASH FLOWS
(In thousands of US Dollars, except per share data)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONT.):

IFRS 9 Financial Instruments (continued)

Aging Schedule based on due date				
	Within payment terms	0-30 days over payment terms	30+ days over payment terms	Total
Aging Schedule 31.12.2017	3,078	220	173	3,741
Aging Schedule 30.06.2018 (unaudited)	3,032	199	169	3,400

Accounts receivable by region, type of services.		
	31.12.2017	30.6.2018
Projects		(Unaudited)
South and Central America	249	771
Africa	96	128
Asia	107	58
Others	-	32
Products		
South and Central America	2,820	2,157
Africa	30	15
Asia		3
Europe	63	42
Others	376	194
Total	3,741	3,400

IRRI-AL-TAL LTD.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS OF CASH FLOWS
(In thousands of US Dollars, except per share data)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONT.):

IFRS 9 Financial Instruments (continued)

Three-level matrix	31.12.2017	30.6.2018 (Unaudited)
LC Client	359	1,154
Insurance Guaranteed Client	2,236	1,716
Other Clients	1,146	530
Total	3,741	3,400

Credit risk management practices

For significant transactions with customers for amounts over \$200 Irri-Al-Tal aims to secure a letter of credit from a first-tier international bank before accepting the credit risk. In the event of a fulfillment of a milestone according to the contract, the financial institution that provided the letter of credit is required to transfer the consideration to Irri-Al-Tal.

For transactions with customers in amounts less than \$200 but above \$1 Irri-Al-Tal intends to obtain insurance for the customer's balance from third parties. In addition, for transactions with customers in amounts less than \$200 Irri-Al-Tal keeps track and monitors amounts which have been overdue for more than two months.

Conclusion

Irri-Al-Tal believes that due to its strong preference to secure financial guarantees on significant transactions before accepting potential credit risk its risk of loss is limited. The three-level matrix described above is used to group the receivables into categories with varying the amount of expected credit risk in order to estimate the ECL.

There was no material impact on the Company's accounting for financial liabilities' as the new requirements only effect the accounting for financial liabilities that are designated at fair value through profit or loss and the Company does not have any such liabilities.

As such, the adoption of IFRS 9 had no material impact on the Company's financial statements.

IRRI-AL-TAL LTD.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS OF CASH FLOWS
(In thousands of US Dollars, except per share data)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONT.):

IFRS 15 – "Revenue from Contracts with Customers" ("IFRS 15")

Irri-Al-Tal applies IFRS 15 as of January 1, 2018. The Standard supersedes other IFRS provisions relating to revenue recognition. Irri-Al-Tal adopted IFRS 15 using the 'modified' retrospective method with the cumulative effect of initially applying IFRS 15 recognized at the date of initial application, accordingly, under this transition method, an entity may elect to apply IFRS 15 retrospectively only to contracts that are not completed contracts at the date of initial application. The adoption of IFRS 15 had no impact on Irri-Al-Tal's financial statements as Irri-Al-Tal derives revenues from sales of products and providing project services. Irri-Al-Tal sells its products and services directly through its sales force and independent sales agents. Irri-Al-Tal determines revenue recognition through the following steps:

- Identification of the contract, or contracts, with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when, or as, Irri-Al-Tal satisfies its performance obligations under the contract.

Revenue is measured as the amount of consideration that Irri-Al-Tal is expected to receive in exchange for transferring goods or providing services to the customer. The amount of consideration is usually at fixed price at the contract inception. Taxes assessed by various government entities, such as sales taxes, use and value-added taxes, collected at the time of sale are excluded from revenue.

Revenue from sales of irrigation equipment and water systems to agricultural producers is recognized when the customer has taken control of the goods, which occurs at a point in time based on the shipping terms.

IRRI-AL-TAL LTD.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS OF CASH FLOWS
(In thousands of US Dollars, except per share data)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONT.):

Revenue from providing project services is derived from long-term fixed-price contracts with customers pursuant to which Irri-Al-Tal provides design, installation and maintenance of turnkey irrigation systems for application in various agricultural and aquaculture operations. Revenues on these long-term fixed-price contracts are recognized using the percentage-of-completion method. In using the percentage of completion method, revenues are generally recorded on the basis of the percentage of cost incurred to date on a contract relative to the estimated total expected contract cost. Management uses past experience, project plans and an assessment of the risks and uncertainties specific to the project in order to estimate total expected contract cost. The percentage of completion is established by the costs incurred to date as a percentage of the estimated total costs of each contract (cost-to-cost method). Contract costs include all direct material and labor costs, as control is transferred over time since, Irri-Al-Tal's performance does not create an asset with an alternative use to Irri-Al-Tal. As Irri-Al-Tal utilizes various forms of financial guarantees from first-tier international banks to provide payment assurance for the amounts receivable from its customers, Irri-Al-Tal's management believes that its credit risk is limited on projects which have not yet been completed, but for which Irri-Al-Tal has recognized revenue.

Irri-Al-Tal utilized the practical expedient provided by IFRS 15 for significant components of financing, as contracts are usually for periods of less than one year.

Irri-Al-Tal provides a one-year manufacturer (back to back with the manufacturer – a third party) warranty for all the components that are part of a system. Such warranty does not provide the customer with additional services; therefore the service cost is not recognized as a financial obligation to Irri-Al-Tal and was not accounted as a separate performance obligation but rather as a provision.

The adoption of IFRS 15 had no impact on the Company's financial statements.

IRRI-AL-TAL LTD.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS OF CASH FLOWS
(In thousands of US Dollars, except per share data)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONT.):

New IFRSs in the period prior to their adoption

IFRS 16 - "Leases" ("IFRS 16")

Adoption of IFRS 16 will result in Irri-Al-Tal recognizing a right of use of assets and lease liabilities for all contracts that are, or contain, a lease. For leases currently classified as operating leases, under current accounting requirements Irri-Al-Tal does not recognize related assets or liabilities, and instead spreads the lease payments on a straight-line basis over the lease term, disclosing in its annual financial statements the total commitment.

Instead of recognizing an operating expense for its operating lease payments, Irri-Al-Tal will instead recognize interest on its lease liabilities and amortization on its right-of-use assets.

The amendments are effective for reporting periods (interim and annual) beginning after January 1, 2019.

Irri-Al-Tal believes that IFRS 16 is not expected to have a material impact on its financial statements.

NOTE 3 – LOANS:

A. Composition:

	Six Months ended June 30, 2018	Year ended December 31, 2017
Long term loans	399	717
Less – current portion and short-term loans	(137)	(336)
Total long-term portion of loans	262	381

Long-term loans from banks are due as follows:

	Six Months ended June 30, 2018	Year ended December 31, 2017
First year (current portion)	137	336
Second year	119	163
Third year	104	111
Fourth year and thereafter	39	107
Total long-term loans	399	717

IRRI-AL-TAL LTD.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS OF CASH FLOWS
(In thousands of US Dollars, except per share data)

NOTE 3 – LOANS (CONT.):

B. Details of the long-term loans:

1. On December 23, 2014 Irri-Al-Tal secured two loans: a) loan amounted to \$66, which bears the basic interest rate quoted by the Bank of Israel ("**Prime**") plus 2.25% interest per annum. b) loan in the amount of \$24, which bears an interest rate equal to Prime plus 3.85% interest per annum. The loans will be repaid in 60 monthly installments ending on December 23, 2019.
2. On May 29, 2016 Irri-Al-Tal secured a loan in the amount of \$130, which bears an interest rate equal to Prime plus 3.5% interest per annum. The loan will be repaid in 72 monthly installments ending on May 29, 2022.
3. On August 15, 2016 Irri-Al-Tal secured a loan in the amount of \$18, which bears an interest rate equal to Prime plus 2.5% interest per annum. The loan will be repaid in 60 monthly installments ending on July 15, 2021.
4. On November 4, 2016 the Company secured a loan in the amount of \$29, which bears an interest rate equal to Prime plus 2.1% interest per annum. The loan will be repaid in 60 monthly installments ending on November 3, 2021.
5. On October 13, 2016 the Company secured a loan in the amount of \$157, which bears an interest rate equal to Prime plus 4.3% interest per annum. The loan will be repaid in 60 monthly installments ending on October 13, 2021.
6. On June 12, 2017 the Company secured a loan in the amount of \$127, which bears an interest rate equal to Prime plus 4.2% interest per annum. The loan will be repaid in 60 monthly installments ending on June 13, 2022.
7. On July 10, 2017 the Company secured a loan in the amount of \$18, which bears an interest rate equal to Prime plus 4.3% interest per annum. The loan will be repaid in 36 monthly installments ending on July 10, 2020.

In May 2018 Irri-Al-Tal secured a credit line in the amount of NIS 1,000,000 (approximately US\$275,000), as of June 30, 2018 the Company did not use this line.

The covenants relating to the loans and credit facilities are comprised of the following:

- In 2017 the shareholder's equity shall not be less than 10% of total liabilities and shareholder's equity;
- In 2018 the shareholder's equity shall not be less than 15% of total liabilities and shareholder's equity;
- In 2019 the shareholder's equity shall not be less than 20% of total liabilities and shareholder's equity;
- The ratio between the net short term financial debt and the operating working capital shall not exceed 70%;
- Restriction on repayments of shareholder's loan;
- Certain restrictions on CEO's salary of the CEO.

As of the date hereof, Irri-Al-Tal was in compliance in all material respects with the covenants.

IRRI-AL-TAL LTD.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS OF CASH FLOWS
(In thousands of US Dollars, except per share data)

NOTE 4 – SHAREHOLDERS' EQUITY

The ordinary shares in the Company confer upon their holders the right to receive notice, to participate and vote in general meetings of the Company and the right to receive dividends, if and when declared.

a. Share Capital:

On February 26, 2018, the Company increased its authorized share capital from 100 Shares to 100,000,000 Shares.

b. Share Split:

In April, 2018, the Company completed a share split of 285,000 for 1, which increased the issued and outstanding shares of Irri-Al-Tal to 28,500,000 Shares each with a par value of NIS 0.0000035.

c. Shares issued to consultants:

In April, 2018, the Company issued 3,721,961 Shares to its IPO consultants in respect of services rendered to the Company. In case that the IPO is not successfully executed consultants will sell back to the Company all the issued shares at a price per share of 0.0000035 NIS.

In accordance with IFRS 2 - *Share-Based Payments*, since the fair value of these services cannot be measured reliably, the fair value of the services received were measured at fair value based on third party valuation of the instruments issued at an amount of \$361. The valuation utilized a Monte Carlo based risk neutral model. The model was designed to simulate both the fair value of the company's assets, as well as the fair value of all the claims on these assets over time.

The main parameters used in the simulation model:

Risk free rate: 34%

Volatility of assets: 2%

Accounting treatment:

The company follows the guidance of IAS 32 regarding transaction costs and the IFRIC discussion from September 2008. At the execution of a reverse takeover transaction, the transaction costs that relate to the listing for existing shares will be expensed and the transaction costs that relate to capital raising (new shares) will be deducted from equity.

Due to the fact that the financial statements for six month ended June 30, 2018 have been finalized prior to the reverse takeover transaction, there was no reliable way to estimate the ratio between the number of new shares to be issued of the resulting issuer relative to the number of shares that are currently issued and outstanding. As such, the Company temporary accrued these issuance costs as an assets presented as part of other accounts receivable.

IRRI-AL-TAL LTD.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS OF CASH FLOWS
(In thousands of US Dollars, except per share data)

NOTE 4 – SHAREHOLDERS' EQUITY (CONT'D)

d. Private placement:

On April 16 and May 29, 2018, the Company completed a brokered private placement resulting in gross proceeds of \$1,337 (CAD\$1,750,000). The Brokered Private Placement involved the sale of 5,000,000 units at a price of CAD\$0.35 per unit (the "Brokered Units"), with Foundation Markets Inc. ("FMI"), which had acted as the agent for the Brokered Private Placement. Each Brokered Unit is comprised of one share and one-half ordinary share purchase warrant (the "Brokered Warrants"). Each Brokered Warrant entitles the holder thereof to acquire one additional Common Share at an exercise price equal to the lower of (i) CAD\$0.55 and (ii) the price per security at which securities are issued in any financing completed in connection with a liquidity event for the Company, as defined in the agency agreement dated as of April 16, 2018 ("**Qualifying Event**"), with such Brokered Warrants being exercisable for a period of 24 months from the closing date of the Qualifying Event.

The Company paid finder's fees of 106 (CAD\$140,000) and issued 400,000 options (the "Broker Options"). Each Broker Option entitles the holder thereof to acquire one additional IAT Share at an exercise price of CAD\$0.35 per Broker Option at any time until the earlier of (i) the two-year anniversary of the closing of a Qualifying Event or (ii) five years from the closing date on which the applicable Broker Options were issued.

Since the Brokered Warrants are derivative that will not or may not be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments, these warrants are recorded at their fair value as a derivative liability and are re-measured at recognition at each reporting date, with changes in fair value recognized in finance expense (income), net.

The Brokered Warrants have been valued at using a structural risk neutral valuation model, which was applied numerically by a Monte Carlo simulation with the following assumptions:

Investment Unit price: CAD\$0.35

Exercise Price: CAD\$0.55

Risk-free rate: 1.93 %

Dividend yield: Nil

Volatility factor: 34%

Expected life: 2 years

IRRI-AL-TAL LTD.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS OF CASH FLOWS
(In thousands of US Dollars, except per share data)

NOTE 5 – SEGMENT REPORTING:

The company identified Mr. Haber who is the company's CEO as its chief operating decision maker ("CODM").

As the company's CODM, Mr. Haber receives information on a segregated basis (for review on a regularly basis) of each business unit, i.e. projects (services) and products (components) as well as information segregated for geographical areas. The financial statements present within statements of comprehensive income the revenues from each segment on a standalone basis as well as cost of sale of each segment – i.e. there are no transactions between segments. The information as presented in the financial statements is essentially the same information provided to the CODM and the same information regarding decisions about allocating resources, please note, there's no information available beyond revenues and COS for each segment except presenting the results of each segment, as the statement of comprehensive income presents gross profit on a combined basis.

In the financial statements for June 30, 2018, the Company plans to include the following disclosure:

The Company accounts for its segment information in accordance with IFRS 8 "Segment Reporting" which establishes annual and interim reporting standards for operating segments of a company based on the Company's internal accounting methods.

Operating segments are based upon its internal organization structure, the manner in which our operations are managed and the availability of separate financial information. The Company has two operating segments: components segment and project- services segment.

Summarized financial information by segment, based on the Company's internal financial reporting system utilized by the Company's chief operating decision makers, follows:

For the three months ended June 30, 2018:

	Products:	Project Services:	Company Total:
Revenues from external customers	1,489	3,185	4,674
Cost of revenues	1,302	2,624	3,926
Segment gross income	187	561	748
Non-allocated expenses			(322)
Finance income, net			41
Share in losses of associated company			(2)
Profit before provision for income taxes:			465

IRRI-AL-TAL LTD.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS OF CASH FLOWS
(In thousands of US Dollars, except per share data)

NOTE 5 – SEGMENT REPORTING (CONT.):

For the six months ended June 30, 2018:

	Products:	Project Services:	Company Total:
Revenues from external customers	2,630	4,098	6,728
Cost of revenues	2,297	3,229	5,526
Segment gross income	333	869	1,202
Non-allocated expenses			(556)
Finance income, net			27
Share in losses of associated company			(18)
Profit before provision for income taxes:			655

For the three months ended June 30, 2017:

	Products:	Project Services:	Company Total:
Revenues from external customers	648	2,161	2,809
Cost of revenues	598	1,770	2,368
Segment gross income	50	391	441
Non-allocated expenses			(149)
Finance income, net			20
Profit before provision for income taxes:			272

For the six months ended June 30, 2017:

	Products:	Project Services:	Company Total:
Revenues from external customers	1,358	2,532	3,890
Cost of revenues	1,239	2,035	3,274
Segment gross income	119	497	616
Non-allocated expenses			(290)
Finance income, net			(150)
Profit before provision for income taxes:			176

IRRI-AL-TAL LTD.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS OF CASH FLOWS
(In thousands of US Dollars, except per share data)

NOTE 6 – REVENUES:

1. Geographic Areas Information:

The following present total revenues for the three months ended June 30, 2018 and 2017:

	For the three months ended June 30	
	2018	2017
Africa	746	1,719
South and Central America	3,096	445
Asia	-	530
Europe	299	66
Others	533	49
	<u>4,674</u>	<u>2,809</u>

The following present total revenues for the six months ended June 30, 2018 and 2017:

	For the six months ended June 30	
	2018	2017
Africa	1,483	2,198
South and Central America	3,976	938
Asia	10	530
Europe	357	118
Others	902	106
	<u>6,728</u>	<u>3,890</u>

2. Principal Customers:

Major customers over 10% of the Company's revenues:

	June 30, 2018	June 30, 2017
Customer A	32%	40%
Customer B	15%	13%
Customer C	11%	11%

IRRI-AL-TAL LTD.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS OF CASH FLOWS
(In thousands of US Dollars, except per share data)

NOTE 7 – RELATED PARTIES AND SHAREHOLDERS:

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party's making of financial or operational decisions, or if both parties are controlled by the same third party. The Company has transactions with key management personal.

The following transactions arose with related parties:

	For the three months ended June 30	
	2018	2017
Management fees paid to the CEO	92	38

	For the six months ended June 30	
	2018	2017
Management fees paid to the CEO	150	67

Receivables from related parties:

	As of	
	June 30, 2018	December 31, 2017
Balances owed by (to) the CEO	(27)	59

IRRI-AL-TAL LTD.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS OF CASH FLOWS
(In thousands of US Dollars, except per share data)

NOTE 8 – SUBSEQUENT EVENTS:

A. PRELIMINARY PROSPECTUS' FILING

On August 23, 2018, a preliminary prospectus was filed at Ontario securities commission, The Offering consists of a minimum of 8,000,000 Units and a maximum of 16,000,000 Units at a price of CAD\$ 0.25 per Unit for gross proceeds of a minimum of CAD 2,000,000 and a maximum of CAD\$ 4,000,000. For further information, see Note 1.

B. LETTER OF INTENT WITH FOUNDATION MARKETS INC.

On September 26, 2018, the Company signed a letter of intent for an additional private placement (“**Concurrent Private Placement**”) of units (“**IAT Units**”) at a price of CAD\$0.50 per IAT Unit for gross proceeds of up to CAD\$2,000,000. Each IAT Unit will be comprised of one IAT Share and one half of one (1/2) IAT Share purchase warrant (“**IAT Warrant**”), each exercisable into IAT Shares at a price of CAD\$0.80 for a period of 24 months from the date of issuance. The Company will also pay a finder’s fee equal to 8% of the gross proceeds raised under the Concurrent Private Placement and issue finder’s warrants (“**PP Finder’s Warrants**”) equal to 8% of the IAT Units issued to qualified finders under the applicable securities legislation. Each PP Finder’s Warrant will be exercisable into IAT Shares at a price of CAD\$0.50 per IAT Share for a period of 24 months from issuance. IAT Units, PP Finder’s Warrants and IAT Warrants underlying the IAT Units will be exchanged for corresponding securities of Sagittarius in accordance with the Exchange Ratio, with the exercise prices adjusted accordingly to reflect the Exchange Ratio.

SCHEDULE "D"
MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS OF IRRI-AL-TAL
FOR THE YEAR ENDED DECEMBER 31, 2017

IRRI-AL-TAL LTD.

**Management's Discussion and Analysis
For the Year Ended December 31, 2017**

Irri-Al-Tal Ltd.

Management Discussion and Analysis
For the Year Ended December 31, 2017

1. MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis is management's assessment of the results and financial condition of Irri-al-tal Ltd. ("**Irri-Al-Tal**").

The following information should be read in conjunction with the Irri-Al-Tal's audited financial statements for the year ended December 31, 2017 and the notes to those financial statements.

The date of this management's discussion and analysis ("**MD&A**") is July 30, 2018. The Irri-Al-Tal's comparative amounts in this MD&A have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). All dollar amounts are stated in United States dollars ("**USD**") unless otherwise indicated.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation ("**forward-looking information**"). Such forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Irri-Al-Tal to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth below and as detailed under **RISKS AND UNCERTAINTIES** in this MD&A.

Although Irri-Al-Tal has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking information contained herein is given as of the date of this MD&A and Irri-Al-Tal disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results, except as may be required by applicable securities laws. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.

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2. DESCRIPTION OF BUSINESS

Structure of Irri-Al-Tal

Irri-Al-Tal was incorporated on October 11, 2003 under the laws of the State of Israel. Irri-Al-Tal's registration number is 513467944, with its registered and head office address at P.O.B. 7 Kibbutz Ramat-David 3658700, Israel.

On February 26, 2018 Irri-Al-Tal filed with State of Israel Department of Justice Corporations Authority Approval of registration of notice of increase of registered capital to increase its authorized share count from 100 ordinary shares in the capital of Irri-Al-Tal ("**IAT Shares**") to 100,000,000 IAT Shares.

On April 8, 2018 Irri-Al-Tal completed a share split of 285,000 for 1, which increased the issued and outstanding IAT Shares to 28,500,000 IAT Shares each with a par value of NIS 0.0000035, and authorized IAT Shares to 28,500,000,000,000.

Overview of operations

Irri-Al-Tal is an agriculture technology company that specializes in providing water irrigation solutions to agricultural producers. Irri-Al-Tal competes in the global irrigation water systems market with a focus on developing solutions with commercial applications in the micro and precision irrigation segments of the overall market. According to the global market research and consulting firm Frost & Sullivan, the irrigation water systems market totaled approximately USD \$10 billion in 2016 and is anticipated to grow at a 7.7% CAGR through 2021¹.

There are several methods of irrigation and they vary in how water is supplied to the plants with the goal being uniform application of water to all plants such that each plant gets precisely the amount of water it needs. Surface irrigation is the oldest form of irrigation and has been in use for thousands of years. In surface (furrow, flood or level basin) irrigation systems, water moves across the surface of agricultural lands, in order to infiltrate into the soil and hydrate plants. It is often called flood irrigation when the irrigation results in flooding or near flooding of the cultivated land. Historically, this has been the most common method of irrigating agricultural land and is still used in many parts of the world.

Irri-al-tal's main revenue streams are derived from the following business units:

- i) Projects Business Unit; and
- ii) Component and Equipment Sales Unit

Outlined below is the financial summary of each of the business units.

Three Year Development History and Significant Acquisitions

Irri-Al-Tal was founded in 2003 by Mr. Ohad Haber with a view of capitalizing on the opportunities presented by micro and smart irrigation, while also making a positive mark on society by making these technologies more widely available, especially in developing markets such as Africa and Latin America.

When Irri-Al-Tal commenced operations in 2004, its strategy revolved around exporting proven irrigation technology from Israel to the rest of the world. Under this umbrella, Irri-Al-Tal assembled and sold internationally: filters, sprinklers, valves, driplines, pumps and other irrigation

¹ <https://www.frost.com/prod/servlet/report-brochure.pag?id=MC37-01-00-00-00>

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components that were manufactured in Israel. Over time, Irri-Al-Tal gained a small share of the local Israeli irrigation product market and the export market and established long-term relationships with most of Israel's major irrigation component and system OEMs, alongside growing sales in a wide swath of countries.

In 2007, Irri-Al-Tal formed its Projects Business Unit with a view to introducing the Israeli know-how and technology across the world. At the core of Irri-Al-Tal's Projects Business Unit is a team of experts, including experienced engineers and technical staff, tasked with planning, manufacturing and installing turnkey irrigation systems, based on Israeli technology, at locations around the globe, with a focus on developing regions. With time, the division developed a process that begins with data collection and understanding the needs of the client and the project, through to design and implementation and which culminates with an orderly handover, comprehensive training and ongoing support.

In 2008, less than a year after forming the Projects Business Unit, Irri-Al-Tal delivered its first turnkey irrigation project, a small project in Ethiopia, which entailed irrigating a 50-hectare vineyard. The success of this project was followed by a larger turnkey irrigation project in Ethiopia – irrigation of a 250-hectare papaya plantation, which was delivered in 2010.

In 2014, Irri-Al-Tal secured its first Latin American project, in Peru, where Irri-Al-Tal delivered a turnkey irrigation project on an avocado plantation. Irri-Al-Tal's successes in Africa and Latin America resulted in interest from Chinese companies and in 2016 Irri-Al-Tal secured its first project in China, being the irrigation of an apple plantation.

In 2017, Irri-Al-Tal began to target another key initiative in its corporate strategy – licensing proprietary technologies developed by Irri-Al-Tal. Irri-Al-Tal began developing the Precise Irrigation System, which it intends to sell to its clients alongside other equipment. The Precise Irrigation System will be a light-footprint, precision irrigation analysis and recommendation system that will enable agricultural operators to make smarter, data-driven decisions and automate time-consuming and costly processes. Precise Irrigation System will have a remote-access data gathering and analytics platform woven into various elements of irrigation systems. The system intends to employ big data techniques to analyze this data in conjunction with third-party content (e.g. weather forecasts) and generate actionable insights and recommendations, delivered to the farm operator in real-time. Irri-Al-Tal management believes that its solution is different from other precision irrigation systems available today as it does not rely on data from sensors deployed in the field (although, it can connect to them), greatly reducing the scope and cost of implementing a Precise Irrigation System as compared to competing solutions.

On July 20, 2017 Irri-Al-Tal entered into an agreement to acquire a 50% interest in Kama Agrarian, which was subsequently reduced to 45.05% as a result of amending the Kama Agreement. Kama Agrarian is focused on pursuing a project in the People's Republic of China that will entail provision of services and equipment on a joint-basis with Irri-Al-Tal to establish a greenhouse facility for organic produce. As of the date hereof, the venture of Kama Agrarian is in the exploratory stages, however the parties are continuing their efforts to secure a China Transaction. No assurance can be provided that the efforts of Kama Agrarian or Irri-Al-Tal in this venture will be successful. Neither Kama Agrarian nor the obligations of Irri-Al-Tal to Kama Agrarian and its investors are material to the business of Irri-Al-Tal.

In 2018, Irri-Al-Tal has taken note of the growth in the legal cannabis sector around the world – both medical and recreational use. Irri-Al-Tal plans to enter the legal cannabis sector with a focus on designing and installing smart irrigation systems configured for growing cannabis plants.

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Irri-Al-Tal expects that targeting the legal cannabis sector will be a significant aspect of its business strategy going forward.

Significant financial developments during the period

A. LETTER OF INTENT

On December 28, 2017, Irri-Al-Tal entered into a letter of intent ("**LOI**") with Sagittarius Capital Corporation (the "**Sagittarius**"), a company incorporated under Business Corporations Act (Ontario) that is classified as a Capital Pool Company under the policies of the TSX Venture Exchange (the "**Exchange**"). Pursuant to the terms of the LOI, Sagittarius will acquire all issued and outstanding IAT Shares ("**Transaction**"), by exchanging all issued and outstanding IAT Share for common shares in the capital of Sagittarius ("**Sagittarius Shares**"), upon which Irri-Al-Tal will become a wholly-owned subsidiary of the Sagittarius. Completion of the Transaction is subject to completion of due diligence, receipt of all required regulatory, director and shareholder approvals, execution of definitive agreements and certain other conditions that are customary for transactions of this nature. If successful, the combined entity will continue as a publicly listed company on the Exchange.

On June 21, 2018, Irri-Al-Tal entered into amended and restated LOI with Sagittarius, whereby Sagittarius has agreed to acquire all issued and outstanding shares of Irri-Al-Tal by way of securities exchange ("**Securities Exchange**") issuing two (2) post-Consolidation Sagittarius Shares for each issued and outstanding IAT Share (the "**Exchange Ratio**"). According to the terms of the original LOI, the exchange ratio was increased from one post-Consolidation Sagittarius Share for each IAT Share to two post-Consolidation Sagittarius Shares for each IAT Shares issued and outstanding. Immediately prior to the completion of, and as a condition to, the Securities Exchange, Sagittarius shall consolidate the outstanding common shares on the basis of one (1) common Share for 1.4964285 outstanding Sagittarius Shares ("**Consolidation**"). The Consolidation was approved by Sagittarius shareholders at a special meeting on August 15, 2018 and remains subject to approval of the Exchange.

Prior to completing the Securities Exchange, Irri-Al-Tal intends to complete an additional private placement ("**Concurrent Private Placement**") of up to 4,000,000 units ("**IAT Units**") at a price of CAD\$0.50 per IAT Unit for gross proceeds of up to CAD\$2,000,000. Each IAT Unit will be comprised of one IAT Share and one half of one (1/2) IAT Share purchase warrant ("**IAT Warrants**"), each exercisable into IAT Shares at a price of CAD\$0.80 for a period of 24 months from the date of issuance. Irri-Al-Tal will also pay a finder's fee equal to 8% of the gross proceeds raised under the Concurrent Private Placement and finder's warrants ("**PP Finder's Warrants**") equal to 8% of the IAT Units issued pursuant to the Concurrent Private Placement. Each PP Finder's Warrant will be exercisable into one IAT Share at a price of \$0.50 per IAT Share for a period of 24 months from issuance.

In addition, Sagittarius announced that it has entered into an engagement letter with Leede Jones Gable Inc. ("**Agent**") to act as lead agent for an offering ("**Concurrent Financing**") to be completed concurrently with the Transaction.

It is intended that the Concurrent Financing will be conducted as a public offering of units of Sagittarius ("**Units**") via a prospectus. Sagittarius intends to issue up to 16,000,000 Units at a price of CAD\$0.25 per Unit for maximum gross proceeds of CAD\$4,000,000 ("**Maximum Offering**") and a minimum of 8,000,000 Units for the minimum gross proceeds of CAD\$2,000,000 ("**Minimum Offering**"). Sagittarius will also grant the Agent an overallotment option to sell

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additional Units equal to 15% of the Maximum Offering. Each Unit will be comprised of one Sagittarius Share and $\frac{1}{2}$ of one Sagittarius Share purchase warrant ("**QT Warrant**"). Each QT Warrant will allow the holder to purchase one Sagittarius Share at a price of CAD\$0.40 per Sagittarius Share for a period of 24 months from the date of issuance. If following the closing of the Concurrent Financing, the closing price of the Sagittarius Shares is equal to or greater than \$0.42 for any 20 consecutive trading days, Sagittarius may, upon providing written notice to the holders of the QT Warrants, accelerate the expiry date of the Warrants to the date that is 30 days following the date of such written notice. Sagittarius also agreed to pay the Agent a cash fee equal to 8% of the gross proceeds of the funds raised under the Concurrent Financing and broker warrants ("**Broker Warrants**") equal to 8% of the Units sold under the Concurrent Financing. The Broker Warrants will be exercisable into Sagittarius Shares at a price of CAD\$0.25 per Sagittarius Shares for a period of 24 months from the date of issuance, subject to certain acceleration provisions.

B. SHARE ISSUANCES.

On April 8, 2018, Irri-Al-Tal issued 1,653,571 IAT Shares to a consultant in respect of services rendered pursuant to a consulting agreement dated December 28, 2017.

On April 8, 2018, following the completion of the Initial Private Placement, Irri-Al-Tal issued 2,068,390 IAT Shares to consultants in respect of services rendered to Irri-Al-Tal.

C. BROKERED PRIVATE PLACEMENT

On April 16, 2018, Irri-Al-Tal completed a brokered private placement resulting in gross proceeds of CAD\$1,391,775 (the "**Brokered Private Placement**"). The Brokered Private Placement involved the sale of 3,976,502 units at a price of CAD \$0.35 per unit (the "**Brokered Units**"), with Foundation Markets Inc. ("**FMI**"), which has acted as the agent for the Brokered Private Placement. Each Brokered Unit is comprised of one IAT Share and one half ordinary share purchase warrant (the "**Brokered Warrants**"). Each Brokered Warrant entitles the holder thereof to acquire one additional Common Share at an exercise price equal to the lower of (i) CAD \$0.55 and (ii) the price per security at which securities are issued in any financing completed in connection with a liquidity event for Irri-Al-Tal, as defined in the agency agreement dated as of April 16, 2018 ("**Qualifying Event**"), with such Brokered Warrants being exercisable for a period of 24 months from the closing date of the Qualifying Event.

With respect to the first closing of the Brokered Private Placement, Irri-Al-Tal paid finder's fees of CAD\$111,342 and issued 318,120 options (the "**Broker Options**"). Each Broker Option entitles the holder thereof to acquire one additional Brokered Unit at an exercise price of CAD\$0.35 per Brokered Unit at any time until the earlier of (i) the two-year anniversary of the closing of a Qualifying Event or (ii) five years from the closing date on which the applicable Broker Options were issued.

On May 29, 2018, Irri-Al-Tal completed the second closing of the above-mentioned Brokered Private Placement resulting in gross proceeds of CAD\$358,225 ("**Second Closing**"). The Second Closing involved the sale of 1,023,499 Brokered Units.

With respect to the second closing of the Brokered Private Placement, Irri-Al-Tal paid finder's fees of CAD\$28,658 and issued 81,880 Broker Options.

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D. SECURITIES EXCHANGE AGREEMENT

On August 21, 2018, Irri-Al-Tal entered into an agreement with Sagittarius to complete the Securities Exchange ("**Securities Exchange Agreement**"), whereby Irri-Al-Tal and holders of IAT Shares have agreed to, among other things, exchange all issued and outstanding IAT Shares on the basis of two post-Consolidation Sagittarius for each IAT Share. Sagittarius will also issue 9,000,000 consideration warrants, 800,000 consideration compensation options and 640,000 consideration finder's warrants, in exchange for 2,500,000 Brokered Warrants, 2,000,000 IAT Warrants, 400,000 PP Broker Options and 320,000 PP Finder's Warrants, in accordance with their terms (assuming that the Concurrent Private Placement is fully subscribed).

The Securities Exchange will effectively provide for the acquisition of all of the outstanding equity interests of Irri-Al-Tal by Sagittarius in a transaction in which the security holders of Irri-Al-Tal will receive securities of Sagittarius. As a result of the Securities Exchange, Sagittarius will become the sole registered and beneficial owner of all of the outstanding securities of Irri-Al-Tal and Irri-Al-Tal will become a wholly-owned Subsidiary of Sagittarius.

The Securities Exchange Agreement contains covenants, representations and warranties of and from each of Sagittarius and Irri-Al-Tal and various conditions precedent, both mutual and with respect to each entity.

The Securities Exchange is subject to approval of shareholders of Sagittarius of the name change of Sagittarius to "Water Ways Technologies Inc.", and the Consolidation is a condition of closing in favour of Irri-Al-Tal. Such approvals were obtained at Sagittarius shareholders' meeting on August 15, 2018, but the Securities Exchange remains subject to approval of the Exchange.

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Financial Review

The following financial data prepared in accordance with IFRS in thousands of USD is presented for the years ended December 31, 2017, 2016 and 2015.

	Year ended December 31, 2017	Year ended December 31, 2016	Year ended December 31, 2015
	In thousands		
Revenues:			
Services - Projects	5,331	782	781
Products	5,248	4,442	5,389
Total revenues	<u>10,579</u>	<u>5,224</u>	<u>6,170</u>
Cost of revenues:			
Services - Projects	4,321	574	686
Products	4,527	4,184	4,833
Total cost of revenues	<u>8,848</u>	<u>4,758</u>	<u>5,519</u>
Gross profit	1,731	466	651
Selling , general and administrative expenses	<u>707</u>	<u>526</u>	<u>718</u>
Operating profit (loss)	1,024	(60)	(67)
Financial expenses	(153)	(87)	52
Financial income	2	1	18
Share in losses of associated company	<u>(1)</u>	<u>-</u>	<u>-</u>
Profit (loss) before taxes on income	872	(146)	(101)
Taxes on income	<u>(201)</u>	<u>35</u>	<u>37</u>
Total comprehensive income (loss)	671	(111)	(64)
	As of December 31, 2017	As of December 31, 2016	
Total Assets	5,929	3,283	
Total non-current financial liabilities	381	352	

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Year ended December 31, 2017, compared to year ended December 31, 2016

Revenues

For the year ended December 31, 2017, revenues amounted to \$10,579 thousand as compared to \$5,224 thousand for the year ended December 31, 2016. The increase in revenues in 2017 was as a result of an increase in additional service projects in Cameroon and Ethiopia.

Cost of sales

For the year ended December 31, 2017, cost of sales amounted to \$8,848 thousand as compared to \$4,758 thousand for the year ended December 31, 2016. The gross margin on sales from services decreased from 27% in 2016 to 19% in 2017. The reason for the decrease was due to a change in the project mix, with increased material costs and decreased installation costs. The gross margin on sales from products increased from 6% in 2016 to 14% in 2017. The reason for the increase was due to Irri-Al-Tal's ability to purchase material at more attractive prices and to increase the profitability on materials.

Selling, general and administrative expenses

For the year ended December 31, 2017, selling, general and administrative expenses amounted to \$707 thousand as compared to \$526 thousand for the year ended December 31, 2016. The increase in selling, general and administrative expenses in 2017 was as a result of increase in wages during 2017 (423\$ thousand compared 298\$ thousand 2016). Increased wages were required to support the increase in operations in general. Irri-Al-Tal grew from 11 employees in 2016 to 14 employees in 2017. Irri-Al-Tal also increased the CEO's salary in 2017.

Finance expenses

For the year ended December 31, 2017, finance expenses amounted to \$153 thousand as compared to \$87 thousand for the year ended December 31, 2016. The increase in finance expenses in 2017 was as a result of the fluctuations in the exchange rate of the dollar and the Euro.

3. LIQUIDITY AND CAPITAL RESOURCES

The financial statements to which this management's discussion and analysis relates have been prepared on a going concern basis whereby Irri-Al-Tal is assumed to be able to realize its assets and discharge its liabilities in the normal course of operations. The financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern assumption was not appropriate for the financial statements, then adjustments of a material nature would be necessary in the carrying value of assets such as petroleum and natural gas licenses, liabilities, the reported expenses, and the balance sheet classifications used. Management continues to pursue financing opportunities for Irri-Al-Tal to ensure that it will have sufficient cash to carry out its planned exploration program beyond the next year.

As at December 31, 2017, Irri-Al-Tal had working capital of \$621 thousand (December 31, 2016 - \$50 thousand), which consisted of current assets of cash and cash equivalents, short term deposits, accounts receivables, other receivables and inventory and current liabilities of accounts payable and accrued liabilities, deferred revenues and the short-term portion of long term loans.

After taking into account the Brokered Private Placement that was completed in March 2018, Irri-Al-Tal has sufficient resources to continue its operations from at least the next 12 months, including the payments of current liabilities, when they fall due.

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Year ended December 31, 2017, compared to the year ended December 31, 2016

During the year ended December 31, 2017, Irri-Al-Tal's overall position of cash and cash equivalents increased by \$83 thousand. This increase in cash can be attributed to the following:

Irri-Al-Tal's net cash provided by operating activities during the year ended December 31, 2017 was \$224 thousand as compared to net cash used in operating activities of \$94 thousand for the year end December 31, 2016. The net cash provided by operating activities in 2017 is due primarily to Irri-Al-Tal's profits in 2017. In addition, Irri-Al-Tal significantly reduced accounts receivable, other receivables and our inventory levels.

Cash used in investing activities during the year ended December 31, 2017 was \$208 thousand as compared to \$90 thousand for the year ended December 31, 2016. In 2017, the cash was used primarily to purchase an associated company, purchase property plant and equipment, and was partially offset by the repayment of a loan granted to a third party. The cash used in 2016 was primarily as a result of the investment in property, plant and equipment, the granting of a loan to a third party, and partially offset by the sale of property, plant and equipment.

Cash provided by financing activities for the year ended December 31, 2017 was \$67 thousand as compared to \$88 thousand for the year ended December 31, 2016. The cash provided in 2017 and 2016 resulted from net granting of bank loans.

4. OFF BALANCE SHEET ARRANGEMENTS

Irri-Al-Tal has not entered into any off-balance sheet arrangements.

5. TRANSACTIONS BETWEEN RELATED PARTIES

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making operating and financial decisions. This would include Irri-Al-Tal's senior management, who are considered to be key management personnel by Irri-Al-Tal.

Parties are also related if they are subject to common control or significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Irri-Al-Tal has transactions with key management personal.

	Year ended December 31, 2017	Year ended December 31, 2016	Year ended December 31, 2015
	In thousands		
Management fees paid to the CEO	127	79	125
	As of December 31, 2017	As of December 31, 2016	As of December 31, 2015
	In thousands		
Balances owing by the CEO	59	36	58

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6. FINANCIAL INSTRUMENTS AND FINANCIAL RISK EXPOSURES

Irri-Al-Tal's financial instruments consist of cash and cash equivalents, short term deposits, accounts receivables, other receivables and inventory and trade payables and other accounts payable. Unless otherwise noted, it is management's opinion that Irri-Al-Tal is not exposed to significant interest or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

Management understands that Irri-Al-Tal is exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility of these rates as its operations are located in the Israel, and Irri-Al-Tal's functional and presentation currency is the USD. Irri-Al-Tal does not use derivative instruments to reduce its exposure to foreign currency risk.

Irri-Al-Tal is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management process. The overall objectives of the Board of Directors are to set policies that seek to reduce risk as far as possible without unduly affecting Irri-Al-Tal's competitiveness and flexibility.

The type of risk exposure and the way in which such exposure is managed is as follows:

a) Credit risk

Irri-Al-Tal has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to financial instruments is remote.

b) Liquidity Risk

Irri-Al-Tal's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they come due. As at December 31, 2017, Irri-Al-Tal had a working capital balance of \$621 thousand (December 31, 2016 - \$50 thousand). As a result, Irri-Al-Tal currently has little exposure to liquidity risk.

c) Market Risk

i) Interest rate risk

Irri-Al-Tal has cash and short-term investments and no interest-bearing debt. Irri-Al-Tal's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. Irri-Al-Tal periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

ii) Foreign currency risk

Irri-Al-Tal is exposed to foreign exchange risk as its research operations are conducted primarily in the United States.

c) Fair Values

The carrying values of short term deposits, trade account receivable other receivables, inventory, trade accounts payable and other accounts payables approximate their fair values due to their short terms to maturity.

The cash, short term investments and investments are valued using quoted market prices in active markets.

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7. CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements to which this management's discussion requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and also in future periods when the revision affects both current and future periods.

The critical judgments and significant estimates in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are:

Revenue recognition

Irri-Al-Tal enters into long-term fixed-price contracts with customers to provide irrigation and water systems. Revenues on these long-term fixed-price contracts are recognized under the percentage-of-completion method. In using the percentage of completion method, revenues are generally recorded based on the percentage of cost incurred to date on a contract relative to the estimated total expected contract cost. Management uses historical experience, project plans and an assessment of the risks and uncertainties inherent in the arrangement to establish the total estimated costs. The percentage of completion is established by the costs incurred to date as a percentage of the estimated total costs of each contract (cost-to-cost method). Contract costs include all direct material and labor costs.

Irri-Al-Tal recognizes revenues on a project when persuasive evidence of an arrangement exists, recoverability is probable, and project costs are incurred. Irri-Al-Tal recognizes anticipated contract losses, if any, in the period in which they first became evident.

Revenues from the sales of products are recognized when persuasive evidence of an arrangement exists; delivery has occurred, consideration is fixed and determinable; and collection of the resulting receivable is reasonably assured. The title and risk of loss passes to the customer, delivery has occurred and acceptance is satisfied as the product leaves Irri-Al-Tal's premises.

Taxes on income

Irri-Al-Tal recognizes tax-related assets and liabilities based on Irri-Al-Tal's current understanding of tax laws as applied to Irri-Al-Tal's circumstances. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

8. NEW ACCOUNTING POLICIES ADOPTED

During the year ended December 31, 2017, no new accounting policies were adopted.

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9. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for future accounting periods. Many are not applicable to or do not have a significant impact on Irri-al-tal and have been excluded from the list below. The following have not yet been adopted and are being evaluated to determine their impact on Irri-al-tal.

IFRS 9 Financial Instruments:

In July 2014, the IASB issued the final and complete version of IFRS 9, "Financial Instruments" ("IFRS 9"), which replaces IAS 39, "Financial Instruments: Recognition and Measurement". IFRS 9 mainly focuses on the classification and measurement of financial assets and it applies to all assets in the scope of IAS 39 .

According to IFRS 9, the provisions of IAS 39 will continue to apply to de-recognition and to financial liabilities for which the fair value option has not been elected. According to IFRS 9, changes in the fair value of financial liabilities which are attributable to the change in credit risk should be presented in other comprehensive income. All other changes in fair value should be presented in profit or loss.

IFRS 9 is to be applied for annual periods beginning on January 1, 2018. Early adoption is permitted.

Irri-Al-Tal believes that IFRS 9 is not expected to have a material impact on its financial statements.

IFRS 15 – "Revenue from Contracts with Customers" (hereafter – IFRS 15)

Upon first time application, IFRS 15 shall replace other IFRS provisions relating to revenue recognition. The core principle of IFRS 15 is that an entity will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

IFRS 15 sets out a single revenue recognition model, according to which the entity shall recognize revenue in accordance with the said core principle by implementing a five-step model framework:

- 1) Identify the contract(s) with a customer
- 2) Identify the performance obligations in the contract
- 3) Determine the transaction price
- 4) Allocate the transaction price to the performance obligations in the contract
- 5) Recognize revenue when the entity satisfies a performance obligation.

IFRS 15 provides guidance about various issues related to the application of the said model, including: recognition of revenue from variable consideration set in the contract, adjustment of the price of transaction set in the contract in order to reflect the effect of the time value of money and costs to obtain or fulfill a contract.

IFRS 15 extends the disclosure requirements regarding revenue and requires, among other things, that entities disclose qualitative and quantitative information about significant judgments made by management in determining the amount and timing of the revenue.

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The standard shall be applied retrospectively for annual reporting periods starting on January 1, 2018 or thereafter, taking into account the reliefs specified in the transitional provisions of IFRS 15. Irri-Al-Tal is currently examining whether the control of the goods and services of its projects in long term contracts is transferred to the customer overtime. In other aspects of the Standard, Irri-Al-Tal expects that IFRS 15 will not have a material impact on its financial statements

IFRS 16- "Leases" (hereafter – IFRS 16)

Adoption of IFRS 16 will result in Irri-Al-Tal recognizing right of use assets and lease liabilities for all contracts that are, or contain, a lease. For leases currently classified as operating leases, under current accounting requirements Irri-Al-Tal does not recognize related assets or liabilities, and instead spreads the lease payments on a straight-line basis over the lease term, disclosing in its annual financial statements the total commitment.

Instead of recognizing an operating expense for its operating lease payments, Irri-Al-Tal will instead recognize interest on its lease liabilities and amortization on its right-of-use assets.

The amendments are effective for reporting periods (interim and annual) beginning after January 1, 2019.

Irri-Al-Tal believes that IFRS 16 is not expected to have a material impact on its financial statements.

10. COMMITMENTS

Liens

- (i) All of Irri-Al-Tal's five motor vehicles are pledged as security to the banks and financial institutions who granted the loans for the purchase of the motor vehicles. The total amount of the loans secured by Irri-Al-Tal's motor vehicles is \$97 thousand. The pledges are in place until the loans have been repaid.
- (ii) Short-terms deposits in the amount of NIS 275 thousand, EUR 47 thousand and USD 13 thousand are secured to an Israeli bank.
- (iii) Irri-Al-Tal recorded a floating charge over all Irri-Al-Tal's assets in favor of an Israeli bank.
- (iv) Irri-Al-Tal recorded a first charge over short term deposits in the amount of \$76 thousand (NIS 262,624) to an Israeli bank until the total repayment of loans which have a balance of \$255 thousand as of December 31, 2017.

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11. OTHER INFORMATION

The following details the ordinary shares, warrants, compensation warrants, and stock options, warrants outstanding as of the date of this MD&A.

Common Shares - Balance at June 30, 2018 – 37,221,961

Share Purchase Warrants

Number Of Warrants	Exercise Price	Exercisable at June 30, 2018	Expiry Date
2,500,000	(1)	2,500,000	(2)

(1) lower of (i) \$0.55 and (ii) the price per security at which securities are issued in any financing completed in connection with a qualifying transaction or other liquidity event for Irri-Al-Tal-

(2) 24 months from the closing date of the Qualifying Event

Broker Options

Number Of Warrants	Exercise Price	Exercisable at June 30, 2018	Expiry Date
400,000	(3)	400,000	(4)

(3) lower of (i) \$0.35 and (ii) the price per security at which securities are issued in any financing completed in connection with a qualifying transaction or other liquidity event for Irri-Al-Tal

(4) The earlier of (i) the two-year anniversary of the closing of a Qualifying Event or (ii) five years from the closing date on which the applicable Broker Options were issued.

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12. RISKS AND UNCERTAINTIES

Irri-Al-Tal's business will face numerous financial and market risks, including those described below, as well as general economic and business risks. The following discussion provides information concerning the material risks and uncertainties that Irri-Al-Tal has identified and believe may have an Material Adverse Effect on Irri-Al-Tal's business, financial condition and results of operations. Before an investor decides whether to invest in Irri-Al-Tal's securities, the following risks and uncertainties should be considered.

For the purposes of this document, "**Material Adverse Effect**" shall be defined as any change, effect, event, occurrence, condition or development that has or could reasonably be expected to have, individually or in the aggregate, a material adverse impact on the business, operations, results of operations, assets, capitalization or financial condition of such person, other than any change, effect event, occurrence or state of facts relating to the global economy or securities markets in general.

Upon completion of the Transaction, there are a number of risks that may have a material and adverse impact on the future operating and financial performance of Irri-Al-Tal and could cause its operating and financial performance to differ materially from the estimates described in forward-looking statements related to Irri-Al-Tal, as the case may be. These include widespread risks associated with any form of business and specific risks associated with Irri-Al-Tal's business. An investment in the IAT Shares, as well as Irri-Al-Tal's prospects, are speculative due to the competitive nature of its business and the present stage of its operations. Shareholders of Irri-Al-Tal may lose their entire investment. The risks described below are not the only ones facing Irri-Al-Tal. Additional risks not currently known to Irri-Al-Tal, or that Irri-Al-Tal currently deems immaterial, may also impair Irri-Al-Tal's business or operations. If any of the following risks occur, Irri-Al-Tal's prospects, business, financial condition or results of operations could be adversely affected.

New Business Areas and Geographic Markets, and Irri-Al-Tal's Ability to Implement the Business Strategy In those Markets

Irri-Al-Tal's growth strategy is dependent upon expanding its product and service offerings into new business areas or new geographic markets. There can be no assurance that these new business areas and geographic markets will generate the anticipated clients and revenue. In addition, any expansion into new business areas or geographic markets could expose Irri-Al-Tal to new risks, including compliance with applicable laws and regulations, changes in the regulatory or legal environment; different customer preferences or habits; adverse exchange rate fluctuations; adverse tax consequences; differing technology standards or end-user requirements and capabilities; difficulties staffing and managing foreign operations; infringement of third-party intellectual property rights; the cost of localising software (including translations) or otherwise adapting its products and services for new markets; difficulties collecting accounts receivable; or difficulties associated with repatriating cash generated or held abroad in a tax-efficient manner.

Irri-Al-Tal expects that almost all of its future revenue will be derived from its business operations outside of Israel. Execution of this business strategy is subject to a variety of risks, including operating and technical problems, regulatory uncertainties and possible delays. Operating in different international regions, could mean that revenues earned from customers may decrease in the future for a variety of reasons, including increased competition and new entrants into geographic markets in which Irri-Al-Tal operates or intends to operate. Depending on the countries involved, any or all of the foregoing factors could have a Material Adverse Effect on Irri-Al-Tal's

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business, financial condition and results of operations.

The growth and expansion of Irri-Al-Tal's business is heavily dependent upon the successful implementation of Irri-Al-Tal's business strategy. There can be no assurance that Irri-Al-Tal will be successful in the implementation of its business strategy. These factors could cause Irri-Al-Tal's expansion into new business areas or geographic markets to be unsuccessful or less profitable than its existing markets or could cause Irri-Al-Tal's operating costs to increase unexpectedly or its sales to decrease, any of which could have a Material Adverse Effect on Irri-Al-Tal's prospects, business, financial condition or results of operations. In addition, there can be no assurance that laws or administrative practices relating to taxation, foreign exchange or other matters in countries within which Irri-Al-Tal intends to operate will not change. Any such change could have a Material Adverse Effect on Irri-Al-Tal's business, financial condition and results of operations.

Dependence on Key Personnel and Employees

The success of Irri-Al-Tal is dependent on the services and performance of key executives, including the directors of Irri-Al-Tal and a small number of highly skilled and experienced executives and personnel. Irri-Al-Tal strongly depends on the business and technical expertise of its management and key personnel. Due to the size of Irri-Al-Tal, the loss of any of these individuals or Irri-Al-Tal's inability to attract and retain additional highly skilled employees may adversely affect its business and future operations.

Irri-Al-Tal's proposed key people, including, Ohad Haber, Meira Zada, Amir Eylon, Tomer Bachar and Ronnie Jaergermann, make significant contributions to Irri-Al-Tal and its continued success will be dependent upon the retention of these directors, executive officers and employees, as well as the services provided by Irri-Al-Tal's sales and administrative staff, and a number of other key managerial, marketing, planning, financial, technical and operations personnel. The loss of such key personnel could have a Material Adverse Effect on Irri-Al-Tal's business. In addition, Irri-Al-Tal's ability to grow its business is dependent, to a large degree, on Irri-Al-Tal's ability to retain such employees and there can be no assurance that Irri-Al-Tal will be able to engage the services of such personnel or retain its current personnel given the high competition for highly skilled technical, research and development, management and other employees.

Credit Risk

Credit risk is the risk of financial loss to Irri-Al-Tal if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from Irri-Al-Tal's receivables from customers. Irri-Al-Tal's exposure to credit risk is influenced by the individual characteristics of each customer. Although Irri-Al-Tal establishes an allowance for doubtful accounts that represents its estimate of potential credit losses in respect of accounts receivables and historically has not experienced any significant losses related to individual customers or groups of customers in any particular geographical area, there is no assurance that the allowance for doubtful accounts will be sufficient to cover credit losses in the future and future credit losses could have a Material Adverse Effect on Irri-Al-Tal's prospects, business, financial condition and results of operations. Furthermore, since Irri-Al-Tal's principal office is located in the State of Israel, there is additional credit risk associated with an Israeli company doing business in foreign jurisdictions, which in some cases have volatile social, political and economic environments.

Inability to Manage Rapid Growth and Retain its Customers

Irri-Al-Tal's business plan envisages further growth in its revenue and customer base. Irri-Al-Tal's limited operating history has not to date managed such growth. Irri-Al-Tal will likely need to

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expand and upgrade the reliability and scalability of Irri-Al-Tal's transaction processing systems, network infrastructure and other aspects of Irri-Al-Tal's technology. Irri-Al-Tal may not be able to expand and upgrade its personnel, technology systems and infrastructure to accommodate increases in Irri-Al-Tal's business activity in a timely manner, which could lead to operational breakdowns and delays, loss of customers, a reduction in the growth of Irri-Al-Tal's customer base, increased operating expenses, financial losses, increased litigation or customer claim.

In addition, due to Irri-Al-Tal's planned rapid growth, Irri-Al-Tal will need to continue to attract, hire and retain highly skilled and motivated officers and employees. Irri-Al-Tal may not be able to attract or retain the officers and employees necessary to manage this growth effectively.

Foreign Operations

Irri-Al-Tal relies on international sales of its products in Latin America, Asia, Africa and Middle East and Irri-Al-Tal expects to do so to a greater extent in the future as it continues to expand its business. There are a number of risks inherent in Irri-Al-Tal's international activities, including: unexpected changes in governmental policies in Israel or project locations concerning the import and export of goods; services and technology and other regulatory requirements; tariffs and other trade barriers; costs and risks of localizing products for foreign languages; longer accounts receivable payment cycles; limits on repatriation of earnings; the burdens of complying with a wide variety of foreign laws; and difficulties supervising and managing local personnel. As such, Irri-Al-Tal's operations may be adversely affected by changes in foreign government policies and legislation or social instability and other factors which are not within the control of Irri-Al-Tal, including, but not limited to, changes in regulatory requirements, economic sanctions, risk of terrorist activities, revolution, border disputes, implementation of tariffs and other trade barriers and protectionist practices, volatility of financial markets, labour disputes and other risks arising out of foreign governmental sovereignty over the areas in which Irri-Al-Tal's operations are conducted. Laws and policies of Israel and such foreign jurisdictions affecting foreign trade, taxation and investment may have a Material Adverse Effect on Irri-Al-Tal's operations.

If Irri-Al-Tal's operations are disrupted and/or the economic integrity of its contracts is threatened for unexpected reasons, its business may be harmed. In the event of a dispute arising in connection with Irri-Al-Tal's operations in a foreign jurisdiction where Irri-Al-Tal does conduct or will conduct its business, Irri-Al-Tal may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of the courts of Canada or enforcing Canadian judgments in such other jurisdictions. Irri-Al-Tal may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. Accordingly, Irri-Al-Tal's activities in foreign jurisdictions could be substantially affected by factors beyond their control, any of which could have a Material Adverse Effect on Irri-Al-Tal. Irri-Al-Tal believes that its management and the proposed management of Irri-Al-Tal are sufficiently experienced to reduce these risks.

Liquidity Risk

Liquidity risk is the risk that Irri-Al-Tal will not be able to meet its financial obligations as they fall due. Irri-Al-Tal's approach to managing liquidity is to ensure it will always have sufficient liquidity to meet its liabilities when due, under both normal and distressed conditions, without incurring unacceptable losses or risking damage to Irri-Al-Tal's reputation. There is no assurance that Irri-Al-Tal's approach to managing liquidity will prove successful and should Irri-Al-Tal be unable to meet its liabilities when due it could have a Material Adverse Effect on Irri-Al-Tal's prospects, business, financial condition and results of operations.

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Competition

Irri-Al-Tal operates in competitive environments that include its customers' internal capabilities. Management believes that the principal competitive factors in its markets include technological strength, speed and flexibility in responding to design or schedule changes, price, quality, delivery, cost management and financial strength. Irri-Al-Tal's earnings could decline if its competitors or customers can provide comparable speed and quality at a lower cost, or if Irri-Al-Tal fails to adequately invest in the range and quality of services and products its customers require. Some of Irri-Al-Tal's competitors, as compared to Irri-Al-Tal, are larger and have greater financial and organizational resources, geographic breadth and range of services, customer bases and brand recognition than Irri-Al-Tal. As a result, Irri-Al-Tal's competitors may respond more quickly to technological changes or customer needs, consume lower fixed and variable unit costs, and obtain better terms for financing growth. If Irri-Al-Tal fails to compete in any of these areas, it may lose market share and its business could be seriously harmed. There can be no assurance that Irri-Al-Tal will not experience increased competition or that Irri-Al-Tal will be able to maintain its profitability if its competitive environment changes.

Irri-Al-Tal's commercial success depends upon its ability to develop new or improved services, technologies and products, and to successfully obtain or acquire patent or other proprietary or statutory protection for these technologies and products in Israel and other countries.

Irri-Al-Tal relies on, among other things, trade secrets, confidentiality procedures and contractual provisions to protect its proprietary rights. While Irri-Al-Tal enters into confidentiality and non-disclosure agreements with its employees, consultants, customers and potential customers to attempt to limit access to and distribution of proprietary and confidential information, it is possible that:

- some or all of its confidentiality and non-disclosure agreements will not be honoured;
- third parties will independently develop equivalent technology or misappropriate Irri-Al-Tal's technology or designs;
- disputes will arise with Irri-Al-Tal's strategic partners, customers or others concerning the ownership of intellectual property;
- unauthorized disclosure or use of Irri-Al-Tal's intellectual property, including source code, know-how or trade secrets will occur; or
- contractual provisions may not be enforceable.

Irri-Al-Tal's competitors will range from small venture backed enterprises with limited resources to multi-national technology companies with larger customer bases, more established name recognition and substantially greater financial, marketing, technological and personnel resources than Irri-Al-Tal will have. These larger and better capitalized competitors may have access to capital in greater amounts and at lower costs than Irri-Al-Tal will have, and thus, may be better able to respond to changes in the irrigation market, to compete for skilled professionals, to finance acquisitions, to fund internal growth and to compete for market share generally. Access to capital is critical to grow Irri-Al-Tal's business particularly in the early stages. Access to capital determines the degree to which Irri-Al-Tal can expand Irri-Al-Tal's operations. Thus, if Irri-Al-Tal is unable to maintain or increase Irri-Al-Tal's capital on competitive terms, Irri-Al-Tal could be at a significant competitive disadvantage, and Irri-Al-Tal's ability to maintain or increase Irri-Al-Tal's revenue and earnings could be materially impaired. Also, new or existing competitors in Irri-Al-Tal's markets could make it difficult for Irri-Al-Tal to grow its current market share in desirable markets. In

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addition, Irri-Al-Tal's competitors could offer their products and services at lower prices, and Irri-Al-Tal may be required to reduce Irri-Al-Tal's fees significantly to remain competitive. A fee reduction without a commensurate reduction in expenses would decrease Irri-Al-Tal's planned profitability. Irri-Al-Tal may not be able to compete effectively against these companies, particularly those with greater financial resources, and Irri-Al-Tal's failure to do so could materially and adversely affect Irri-Al-Tal's business, financial condition and results of operations and cash flows. Irri-Al-Tal may in the future face increased competition, resulting in narrowing bid/offer spreads which could materially adversely affect Irri-Al-Tal's business, financial condition and results of operations and cash flows.

Lack of Revenue Growth

The cost structure of Irri-Al-Tal will be largely fixed. Irri-Al-Tal bases its cost structure on expected levels of demand for Irri-Al-Tal's products as well as its fixed operating infrastructure. If Irri-Al-Tal fails to grow the demand for its products and services, it may not be able to adjust its cost structure on a timely basis and its profitability may be materially adversely affected.

Limited Number of Customers

Irri-Al-Tal's revenues in the Projects Business Unit are currently generated primarily from a limited number of customers, however Irri-Al-Tal is not substantially dependent on any one customer or contract. Irri-Al-Tal's customers in the unit are, or are expected to be, generally small and medium-sized agricultural operators located in emerging markets and are subject to an unpredictable business and operating environment. This means that, if several of Irri-Al-Tal's customers cease doing business with Irri-Al-Tal or for other reasons significantly reduce the scope of their projects with Irri-Al-Tal, Irri-Al-Tal's business, financial condition and performance could suffer.

In addition, Irri-Al-Tal's customers and distributors in its Components and Equipment Sales Unit are not expected to make long-term commitments to Irri-Al-Tal regarding purchase volumes and purchases are typically made by one-time purchase orders. Furthermore, there can be no assurance that any of Irri-Al-Tal's customers or distributors in the Component and Equipment Sales Unit will not significantly reduce the amount of their purchases, default on, delay or dispute payment of, or seek to reject Irri-Al-Tal's outstanding invoices, favour competitors or new entrants, or compete with Irri-Al-Tal by expanding their private label product lines. If any of the foregoing developments were to arise, there could be a Material Adverse Effect on Irri-Al-Tal's business, financial condition and results of operations.

Defects in Products and Services

Irri-Al-Tal's products and services are highly complex and sophisticated and may contain design defects or errors that are difficult to detect and correct. Defects found in Irri-Al-Tal's new products or services could delay commercial release for an extended period of time. Errors or defects may be found in new products or services after launch and, even if discovered, Irri-Al-Tal may not be able to successfully correct such errors or defects in a timely manner or at all. The occurrence of errors and failures in Irri-Al-Tal's products or services could result in loss of or delay in end user acceptance of its products or services and may harm Irri-Al-Tal's reputation. Correcting such errors and failures in its products or services could require significant expenditures by Irri-Al-Tal, involving cost or time and effort of personnel which cannot be recovered from others (i.e. OEM, or insurance). The consequences of such errors, failures and claims could have a Material Adverse Effect on Irri-Al-Tal's prospects, business, financial condition or results of operations.

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Furthermore, since the OEMs may be larger or better capitalized than Irri-Al-Tal, Irri-Al-Tal may practically have limited recourse against the OEMs from which Irri-Al-Tal procures the products and any potential claims may be difficult to prove or to enforce.

Irri-Al-Tal may be Unable to Respond to Customers' Demands

New products provided by Irri-Al-Tal's competitors may render Irri-Al-Tal's existing products less competitive. Irri-Al-Tal's future success will depend, in part, on Irri-Al-Tal's ability to respond to customers' demands for new products on a timely and cost-effective basis and to address the increasingly sophisticated requirements and varied needs of Irri-Al-Tal's customers and prospective customers. Irri-Al-Tal may not be successful in developing, introducing or marketing new products. In addition, Irri-Al-Tal's new product enhancements may not achieve market acceptance. Any failure on Irri-Al-Tal's part to anticipate or respond adequately to customer requirements or changing industry practices, or any significant delays in the development, introduction or availability of new products or product enhancements could have a Material Adverse Effect on Irri-Al-Tal's business, financial condition and results of operations and cash flows.

Operational and Financial Infrastructure

Irri-Al-Tal is subject to growth-related risks, capacity constraints and pressure on its internal systems and controls, as well as control and monitoring of marketing activities of Irri-Al-Tal's sales agents in other countries. The ability of Irri-Al-Tal to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base of 16 employees. Irri-Al-Tal intends to expand its employee base after completion of the Offering, and this expansion may require Irri-Al-Tal to commit financial, operational and technical resources in advance of an increase in the size of the business, with no assurance that the volume of business will increase or that such initiatives to improve and upgrade its systems and infrastructure will be successful. The inability to deal with this growth or any failure in these initiatives could have a Material Adverse Effect on Irri-Al-Tal's prospects, business, financial condition or results of operations.

Uncertain Economic Health of the Wider Economy

Irri-Al-Tal's revenue streams are dependent on the overall macro-economic environment. Current and future conditions in the domestic and global economies remain uncertain. Accordingly, adverse developments in the macro-economic environment could substantially reduce the funds spent on the products and services offered by Irri-Al-Tal and have a Material Adverse Effect on Irri-Al-Tal's prospects, business, financial condition or results of operations.

Demand for Irri-Al-Tal's products are influenced by general economic and consumer trends beyond Irri-Al-Tal's control. There can be no assurance that Irri-Al-Tal's business and corresponding financial performance will not be adversely affected by general economic or consumer trends. In particular, global economic conditions are still tight, and if such conditions continue, recur or worsen, there can be no assurance that they will not have a Material Adverse Effect on Irri-Al-Tal's business, financial condition and results of operations.

Furthermore, such economic conditions may produce downward pressure on stock prices and have produced such pressure on the availability of credit from financial institutions for Irri-Al-Tal. If these levels of market disruption and volatility continue, Irri-Al-Tal might experience reductions in business activity, increased funding costs and funding pressures (as applicable), a decrease in the market price of its shares, a decrease in asset values, write-downs and impairment charges and

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lower profitability.

Currency Fluctuations

Irri-Al-Tal's functional currency is Israeli New Shekel but an increasing proportion of Irri-Al-Tal's revenue may be earned and expenses may be incurred in other currencies, including the USD. The movement of any of these currencies against the Israeli New Shekel or USD could have a Material Adverse Effect on Irri-Al-Tal's prospects, business, financial condition and results of operations. As Irri-Al-Tal continues to expand Irri-Al-Tal's international operations, Irri-Al-Tal becomes more exposed to the effects of fluctuations in currency exchange rates.

Potential Political, Economic and Military Instability in Middle East and Israel, where Irri-Al-Tal's Corporate Office are Located

Irri-Al-Tal's principal corporate offices and principal research and development facilities are located in Israel. Accordingly, political, economic and military conditions in and surrounding Israel may directly affect its business. Since the State of Israel was established in 1948, a number of armed conflicts have occurred between Israel and its neighbors. Terrorist attacks and hostilities within Israel; the hostilities between Israel and Hezbollah and between Israel and Hamas; the conflict between Hamas and Fatah; as well as tensions between Israel and Iran, have also heightened these risks, including extensive hostilities in November 2012 and from July to August 2014 along Israel's border with the Gaza Strip, which resulted in missiles being fired from the Gaza Strip into Israel. There can be no assurance that attacks launched from the Gaza Strip will not reach our facilities, which could result in a significant disruption of our business. In addition, there are significant ongoing hostilities in the Middle East, particularly in Syria and Iraq, which may impact Israel in the future. Any hostilities involving Israel, a significant increase in terrorism or the interruption or curtailment of trade between Israel and its present trading partners, or a significant downturn in the economic or financial condition of Israel, could materially adversely affect Irri-Al-Tal's operations. Ongoing and revived hostilities or other Israeli political or economic factors could have a Material Adverse Effect on Irri-Al-Tal's business, operating results and financial condition.

It is unknown as to how the volatile climate currently hinders Israel's international trade relations and whether they still may limit the geographic markets where Irri-Al-Tal can operate. Any resumption of hostilities involving Israel or threatening Israel, or the interruption or curtailment of trade between Israel and its present trading partners, could have a Material Adverse Effect on Irri-Al-Tal's operations albeit that there is no direct evidence of this having been the case over the past conflicts. Security and political instability in the Middle East and Israel in particular may harm Irri-Al-Tal's business. A majority of Irri-Al-Tal's staff, as well as its research and development facilities, are located in Israel. Accordingly, security and political conditions in the Middle East in general, and in Israel in particular, could directly affect Irri-Al-Tal's business. Any armed conflicts or political instability in the region, including acts of terrorism or any other hostilities involving or threatening Israel could have a negative effect on business conditions and could make it more difficult for Irri-Al-Tal to conduct its operations in Israel and/or increase its costs and adversely affect its financial results. Furthermore, some neighbouring countries, as well as certain companies and organizations continue to participate in a boycott of Israeli firms and others who do business with Israel or with Israeli companies. However, generally this is not the case with the major corporations in the industry that deal with Israel. Restrictive laws, policies or practices directed towards Israel or Israeli businesses could have an adverse impact on the expansion of Irri-Al-Tal's business. These factors may also adversely affect Irri-Al-Tal's ability to conduct business in its

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Project Financing Sub-Unit as any deterioration in international trade relations may affect the security of the letters of credit as Irri-Al-Tal may have difficulty enforcing its rights under the letters of credit with its counterparties located in foreign jurisdictions.

Irri-Al-Tal's operations could be disrupted by the absence for significant periods of one or more of its senior management, key employees or a significant number of other employees because of military service. A number of Irri-Al-Tal's senior management and the majority of its male employees in Israel under the age of 45 are obliged to perform military reserve duty, which accumulates annually from several days to up to two months in special cases and circumstances. The length of such reserve duty depends, among other factors, on an individual's age and prior position in the military. In addition, if a military conflict occurs, these persons could be required to serve in the military for extended periods of time. Any disruption in Irri-Al-Tal's operations as the result of military service by key personnel could harm its business.

Recent uprisings and armed conflicts in various countries in the Middle East and North Africa are affecting the political stability of those countries. This instability may lead to deterioration of the political and trade relationships that exist between the State of Israel and these countries.

Reduction of Project Backlog

Irri-Al-Tal cannot guarantee that the dollar value estimated in its current project backlog will be realized or, if realized, will result in profits. Projects may remain in Irri-Al-Tal's backlog for an extended period of time. In addition, project cancellations or scope adjustments may occur from time-to-time with respect to contracts reflected in Irri-Al-Tal's backlog. Backlog reductions adversely affect the revenue and profit that Irri-Al-Tal actually receives from contracts reflected in its backlog. Future project cancellations and scope adjustments could further reduce the dollar amount of Irri-Al-Tal's backlog and the revenues and profits that Irri-Al-Tal actually receives. Some of the of Irri-Al-Tal's contracts for professional services with its clients are terminable by the clients on short notice. If a reduction in Irri-Al-Tal's backlog occurs, Irri-Al-Tal could incur costs resulting from reductions in staff that would have the effect of reducing its profits.

Reliance on Independent Manufacturing Companies for Supply of Products

Loss of Irri-Al-Tal's relationships with OEMs on which it relies for the manufacture of its products could have a Material Adverse Effect on Irri-Al-Tal's operations. As a result of Irri-Al-Tal's key manufacturers, funding, supply chain, technical, and/or other difficulties experienced by the OEMs could adversely affect Irri-Al-Tal's ability to deliver its products to its customers on time. Any significant delivery delays could negatively impact Irri-Al-Tal's future revenue and may have a Material Adverse Effect on the business, financial position or results of operations of Irri-Al-Tal. In addition, it is possible that the OEMs may face high demand for their products and not be able to supply Irri-Al-Tal with the products that it needs, and/or when it needs them. Trade barriers, such as tariffs imposed by governments on import, also have the potential to disrupt Irri-Al-Tal's supply chain, necessitating Irri-Al-Tal to find other suppliers on short notice. Such tariffs could also impose additional costs on Irri-Al-Tal, negatively impacting its profitability.

Irri-Al-Tal's exclusive sourcing from the OEMs also exposes Irri-Al-Tal to risks, including:

- political instability, civil unrest and economic instability;
- currency fluctuations;
- limitations on the repatriation of capital;

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Management Discussion and Analysis For the Year Ended December 31, 2017

- greater difficulty enforcing intellectual property rights and weaker laws protecting such rights;
- natural disasters and greater difficulty and expense in recovering from them;
- changes in governmental policies;
- changes in international labour costs, labour strikes disruptions or lock-outs;
- difficulties in moving materials and products from one country to another, including port congestion, strikes and other transportation delays and interruptions;
- difficulties in controlling the quality of raw materials and components used to manufacture Irri-Al-Tal's products, which may lead to public health and other concerns regarding its products; and
- potential challenges to Irri-Al-Tal's transfer pricing determinations and other aspects of its cross-border transactions which may impact income tax expense.

Due to Irri-Al-Tal's reliance on the sourcing of materials from Israeli companies, its business, financial condition and performance could be significantly and materially harmed if any of the risks described above were to occur. As most of OEMs that Irri-Al-Tal deals with are based in Israel, they may be subject to additional risks that Israeli-based companies are subject to generally.

Crime and Business Corruption Risk

Irri-Al-Tal conducts business in regions which have experienced high levels of business corruption and other criminal activity. Irri-Al-Tal and its personnel are required to comply with applicable anti-bribery laws, including the *Canadian Corruption of Foreign Public Officials Act*, as well as local laws in all areas in which Irri-Al-Tal does business. These, among other things, include laws in respect of the monitoring of financial transactions and provide a framework for the prevention and prosecution of corruption offences, including various restrictions and safeguards. However, there can be no guarantee that these laws will be effective in identifying and preventing money laundering and corruption. The failure of some of the governments where Irri-Al-Tal does business to fight corruption or the perceived risk of corruption could have a Material Adverse Effect on the local economies. Any allegations of corruption or evidence of money laundering in those countries could adversely affect ability of those countries to attract foreign investment and thus have a Material Adverse Effect on its economy which in turn could have a Material Adverse Effect on Irri-Al-Tal's business, results of operations, financial condition and prospects. Moreover, findings against Irri-Al-Tal, the directors, the officers or the employees of Irri-Al-Tal, or their involvement in corruption or other illegal activity could result in criminal or civil penalties, including substantial monetary fines, against Irri-Al-Tal, the directors, the officers or the employees of Irri-Al-Tal. Any government investigations or other allegations against Irri-Al-Tal, the directors, the officers or the employees of Irri-Al-Tal, or finding of involvement in corruption or other illegal activity by such persons, could significantly damage Irri-Al-Tal's reputation and its ability to do business and could have a Material Adverse Effect its financial condition and results of operations.

Components

Irri-Al-Tal obtains its raw materials, component parts, and finished products from multiple

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vendors. Irri-Al-Tal requires access to various parts, components, and raw materials at competitive prices to assemble products within its component business segment. Changes in the availability and price of these parts, components, and raw materials, which have changed significantly and rapidly at times and are affected by factors like demand and freight costs, can significantly increase the costs of production. Due to price competition in the market for irrigation equipment and certain infrastructure products, Irri-Al-Tal may not be able to recoup increases in these costs through price increases for its products, which would result in reduced profitability. Whether increased operating costs can be passed through to the customer depends on several factors, including farm income and the price of competing products. Further, Irri-Al-Tal relies on a limited number of suppliers for certain raw materials, parts and components in the manufacturing process. Disruptions or delays in supply or significant price increases from these suppliers could adversely affect Irri-Al-Tal's operations and profitability. Such disruptions, terminations or cost increases could result in cost inefficiencies, delayed sales or reduced sales.

Irri-Al-Tal reliance on third parties (including the OEMs and external consultants) for research and development may have a Material Adverse Effect on Irri-Al-Tal's business, financial position and revenue. Irri-Al-Tal relies on the OEMs and third-party consultants for the innovation and development of its products, including Precise Irrigation System. It is possible for these parties to terminate the relationship with Irri-Al-Tal or supply a competitor with the same products it delivers to Irri-Al-Tal, this may cause Irri-Al-Tal to lose its competitive place in the market. The reliance on the OEMs for the supply and research and development of products poses a risk that may negatively impact the profitability and financial sustainability of Irri-Al-Tal.

Rapid Technology Developments

The precise irrigation segment of the market that is targeted by Irri-Al-Tal is characterized by rapid technological change, evolving industry standards, frequent new product introductions and short product life cycles. To keep pace with the technological developments, achieve product acceptance and remain relevant to users, Irri-Al-Tal will need to continue developing new and upgraded functionality of its products and services and adapt to new business environments and competing technologies and products developed by its competitors. The process of developing new technology is complex and uncertain. To the extent Irri-Al-Tal is not able to adapt to new technologies and/or standards, experiences delays in implementing adaptive measures or fails to accurately predict emerging technological trends and the changing needs of end-users, Irri-Al-Tal may lose clients and/or fail to secure new clients. Irri-Al-Tal has developed and is continuing to develop a number of products and services incorporating advanced technologies and it will pursue those products and services that it expects to have the best chance for success based on Irri-Al-Tal's expectations of future market demand. The development and application of new technologies involve time, substantial costs and risks. There can be no certainty that Irri-Al-Tal will be able to develop new products, services and technologies to keep up-to-date with developments and, in particular, to launch such products, services or technologies in a timely manner or at all. There can be no certainty that such products will be popular with end-users or that such products or new technologies will be reliable, robust and not susceptible to failure. Any of these factors could have a Material Adverse Effect on Irri-Al-Tal's prospects, business, financial condition or results of operations.

Changes in Taxation

Changes in taxation rates or law, or misinterpretation of the law or any failure to manage tax risks

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adequately could result in increased charges, financial loss, including penalties and reputational damage, which could have a Material Adverse Effect on Irri-Al-Tal's prospects, business, financial condition and results of operations.

The policy of Irri-Al-Tal will be to manage and operate its business in a way that is intended to ensure that it is resident for tax purposes solely in the State of Israel and that it has no taxable permanent establishments or other taxable presence in any other jurisdiction. However, if Irri-Al-Tal is found to be tax resident elsewhere by establishing offices in those jurisdictions, whether on the basis of existing law or the current practice of any tax authority or by reason of a change in law or practice, this may have a Material Adverse Effect on the overall amount of tax payable by Irri-Al-Tal.

Risks Related to Intellectual Property Protection

Proprietary trade secrets and unpatented know-how are very important to Irri-Al-Tal's business. Much of the technology used in the markets in which it competes is unprotected by patents, and the commercial success of Irri-Al-Tal will depend primarily on its ability to obtain and maintain trade secret protection and confidentiality for Irri-Al-Tal's products and methods. To compete in these markets, Irri-Al-Tal relies primarily on a combination of trade secret protection, non-disclosure agreements and unregistered intellectual property to establish and protect proprietary intellectual property rights. Irri-Al-Tal relies on trade secrets to protect certain aspects of its technology, especially where management does not believe that patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. Irri-Al-Tal's employees, consultants, contractors, outside scientific collaborators and other advisors may unintentionally or willfully disclose confidential information to competitors, and confidentiality agreements and non-disclosure agreements may not provide an adequate remedy in the event of unauthorized disclosure of confidential or proprietary information. Enforcing a claim that a third party illegally obtained and is using trade secrets is expensive and time consuming, and the outcome is unpredictable, particularly so in certain foreign jurisdictions. Moreover, competitors of Irri-Al-Tal may independently develop equivalent knowledge, methods and know-how. Failure to obtain or maintain trade secret protection could adversely affect Irri-Al-Tal's competitive business position. Where appropriate, Irri-Al-Tal intends to rely on patented products and applications. Management will evaluate whether to seek patent protection for its products. Irri-Al-Tal's ability to obtain patents is uncertain and the legal protection afforded by these patents is limited and may not adequately protect its rights or permit it to gain or keep any competitive advantage. It is also costly to apply for and maintain patents in multiple jurisdictions. In addition, the scope and enforceability of patent claims is highly uncertain due to the complex nature of the relevant legal, scientific and factual issues. Changes in either patent laws or interpretations of patent laws may diminish the value of Irri-Al-Tal's intellectual property or narrow the scope of Irri-Al-Tal's patent protection. Even if patents are issued relating to Irri-Al-Tal's products and processes, competitors may challenge the validity of those patents. Patents also will not protect Irri-Al-Tal's products and processes if competitors devise ways of making products without infringing such patents.

Environmental Risks and Hazards

Irri-Al-Tal's operations are subject to various environmental laws which regulate matters such as

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health, safety, treatment of waste and land use. Failure to comply with applicable laws, regulations, and licensing requirements may result in enforcement actions. Penalties could include suspension or revocation of necessary licenses or permits, civil liability, or the imposition of fines. The cost of compliance, remediation, or liability could have a Material Adversely Effect on future operating results. Furthermore, the operational or financial impact of new or amended laws or regulations cannot be predicted and could have a Material Adverse Effect on Irri-Al-Tal's financial condition and operating results.

Reliance on Collaborative Partners

Irri-Al-Tal relies on Master Dealer Relationships, Dealer Relationships and other collaborative arrangements to provide services and to develop and commercialize some of its products or services in the future. There can be no assurance that Irri-Al-Tal will be able to negotiate acceptable collaborative arrangements, that such collaborative arrangements will be successful or that Irri-Al-Tal would not be required to relinquish certain material rights to its products or services. In addition, there can be no assurance that Irri-Al-Tal's collaborative partners will not pursue alternative technologies or develop alternative products or services either on their own or in collaboration with others, including Irri-Al-Tal's competitors. To the extent that Irri-Al-Tal succeeds in entering into collaborative arrangements, it will be dependent on the efforts of third parties for the continued development of certain services or products.

Additionally, Irri-Al-Tal employs agents and subcontractors as part of the delivery of Irri-Al-Tal's services to its customers and as part of the development and commercialization of Irri-Al-Tal's products. The ultimate liability for the performance of the agents or subcontractors lies with Irri-Al-Tal. Further, Irri-Al-Tal's business model is based on the distribution of its products and services by third parties. If these third parties are not successful in distributing Irri-Al-Tal's products and services it could have a Material Adverse Effect on Irri-Al-Tal's prospects, business, financial condition or results of operations.

Differences Between the Canadian Law and Applicable Provisions of the Israeli Law

The rights and responsibilities of the shareholders of Irri-Al-Tal are governed by Israeli law and differ in some respects from the rights and responsibilities of shareholders under Canadian law. Irri-Al-Tal is incorporated under Israeli law. The rights and responsibilities of holders of IAT Shares are, therefore, governed by the articles and by Israeli law. These rights and responsibilities differ in some respects from the rights and responsibilities of shareholders in typical companies incorporated in Canada or the United States. In particular, a shareholder of Irri-Al-Tal has a duty to act in good faith toward Irri-Al-Tal and other shareholders and to refrain from abusing his power in Irri-Al-Tal, including, among other things, voting at a general meeting of shareholders on certain matters. Israeli law provides that these duties are applicable in shareholder votes on, among other things, amendments to Irri-Al-Tal's articles of association, increases in Irri-Al-Tal's authorized share capital, mergers and interested party transactions requiring shareholder approval. In addition, certain shareholders, including Mr. Ohad Haber are subject to certain obligations under the Means of Control provision. The power of Irri-Al-Tal to issue and allot shares is exercisable by the Board at such times and on such terms and conditions as the Board may determine, subject to the articles of incorporation and the limit on Irri-Al-Tal's authorized share capital, which may be amended by a resolution of the Shareholders. Shareholders do not have pre-emption rights under Israeli law over further issues of shares of Irri-Al-Tal, except to the extent that such right is expressly included in the Articles.

Risk of Litigation

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Many aspects of Irri-Al-Tal's business will involve risks that expose Irri-Al-Tal to liability under applicable laws. These risks include, among others, disputes over trade terms with customers and other market participants, customer losses resulting from warranty claims for alleged product failure and alleged actionable customer service.

Even if Irri-Al-Tal prevails in any litigation or enforcement proceedings against Irri-Al-Tal, Irri-Al-Tal could incur significant legal expenses defending against the claims, even those without merit. Moreover, because even claims without merit can damage Irri-Al-Tal's reputation or raise concerns among Irri-Al-Tal's customers, Irri-Al-Tal may feel compelled to settle claims at significant cost. The initiation of any claim, proceeding or investigation against Irri-Al-Tal, or an adverse resolution of any such matter could have a Material Adverse Effect on Irri-Al-Tal's reputation, business, financial condition and results of operations and cash flows.

User Data and Cybersecurity

Irri-Al-Tal may require the registration of its users prior to accessing its products or services or certain features of its products or services and it may be subject to increased legislation and regulations on the collection, storage, retention, transmission and use of user data that is collected. Irri-Al-Tal's efforts to protect the personal information of its users may be unsuccessful due to the actions of third parties, software bugs or technical malfunctions, employee error or malfeasance, or other factors. In addition, third parties may attempt to fraudulently induce employees or users to disclose information in order to gain access to Irri-Al-Tal's data or its users' data. If any of these events occur, users' information could be accessed or disclosed improperly. Any incidents involving the unauthorized access to or improper use of the information of users or incidents involving violation of Irri-Al-Tal's terms of service or policies, could damage Irri-Al-Tal's reputation and Irri-Al-Tal's brand and diminish its competitive position. In addition, the affected users or governmental authorities could initiate legal or regulatory action against Irri-Al-Tal in connection with such incidents, which could cause Irri-Al-Tal to incur significant expense and liability or result in orders or consent decrees forcing Irri-Al-Tal to modify its business practices and remediate the effects of any such incidents of unauthorized access or use. Any of these events could have a Material Adverse Effect on Irri-Al-Tal's prospects, business, financial condition or results of operations. The costs related to cyber security or other security threats or disruptions may not be fully insured or indemnified by other means. Occurrence of any of these events could adversely affect Irri-Al-Tal's internal operations, the services it provides to customers, loss of competitive advantages derived from its research and development efforts, early obsolescence of its products and services, its future financial results, its reputation or its share price. Irri-Al-Tal's current insurance policies may not protect Irri-Al-Tal against all of such losses and liabilities. Any of these events, particularly if they result in a loss of confidence in Irri-Al-Tal's products, could have a Material Adverse Effect on Irri-Al-Tal's business, financial condition, results of operations and cash flows.

Internal Controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, recorded and reported and assets are safeguarded against unauthorized or improper use. A control system, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

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For the Year Ended December 31, 2017

Insurance Risks

Irri-Al-Tal expects to maintain property and casualty insurance on certain of its assets. However, not all risks are covered by insurance and there is no assurance that insurance will be consistently available on an economically feasible basis or at all. Irri-Al-Tal may also elect not to insure against certain liabilities due to high premium costs or for other reasons. Furthermore, although Irri-Al-Tal expects to maintain insurance against such claims and in such amounts it considers adequate, there is no assurance that such insurance policies will be sufficient to cover each and every claim or loss involving Irri-Al-Tal. If Irri-Al-Tal were to suffer an uninsured loss, its business, financial condition, and results of operations could face Material Adverse Effects.

Difficulty Enforcing Canadian Law Against an Israeli Company

The majority of the directors and officers of Irri-Al-Tal will be based in Israel, and most of Irri-Al-Tal's assets and assets of the directors and officers of Irri-Al-Tal will be located outside of Canada. Therefore, a judgment obtained against Irri-Al-Tal, or any of these persons, including a judgment based on the civil liability provisions of the Canadian securities laws, may not be collectible in Canada and may not be enforced by an Israeli court. It also may be difficult to effect service of process on these persons in Canada or to assert Canadian securities law claims in original actions instituted in Israel. Israeli courts may refuse to hear a claim based on an alleged violation of Canadian securities laws reasoning that Israel is not the most appropriate forum in which to bring such a claim. In addition, even if an Israeli court agrees to hear a claim, it may determine that Israeli law and not Canadian law is applicable to the claim. If the Canadian law is found to be applicable, the content of applicable Canadian law must be proven as a fact by expert witnesses, which can be a time consuming and costly process. Certain matters of procedure will also be governed by Israeli law. There is little binding case law in Israel that addresses the matters described above. As a result of the difficulty associated with enforcing a judgment against Irri-Al-Tal or Irri-Al-Tal in Israel, it may be difficult to collect any damages awarded by either a Canadian or a foreign court.

Transaction Risk

Although Irri-Al-Tal's growth strategy has not focused historically on acquisitions, Irri-Al-Tal may in the future selectively pursue acquisitions and new businesses. Any future acquisitions may result in significant transaction expenses, dilution of equity financings (including additional IAT Share issuances to the targets for a part of the acquisition) and present new risks associated with entering additional markets or offering new products and integrating the acquired companies. Because acquisitions historically have not been a core part of Irri-Al-Tal's growth strategy, Irri-Al-Tal will not have significant experience in successfully completing acquisitions. Irri-Al-Tal may not have sufficient management, financial and other resources to integrate companies Irri-Al-Tal acquires or to successfully operate new businesses and Irri-Al-Tal may be unable to profitably operate an expanded company. Additionally, any new businesses that Irri-Al-Tal may acquire, once integrated with Irri-Al-Tal's existing operations, may not produce expected or intended results.

Major Shareholder

Mr. Ohad Haber holds directly approximately 76.6% of the outstanding IAT Shares. As a result, Mr. Haber controls Irri-Al-Tal and will be entitled to nominate a majority of the members of the Board and will have the ability to control and determine the outcome of matters submitted to the shareholders of Irri-Al-Tal for approval, which include amendments to Irri-Al-Tal's corporate governing documents and business combinations. Irri-Al-Tal's interests and the interests of other shareholders may at times conflict with those of Mr. Haber, and this conflict might be resolved

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For the Year Ended December 31, 2017

against Irri-Al-Tal's interests and the interests of other shareholders. Due to his shareholdings, Mr. Haber will be in a position to determine whether Irri-Al-Tal or its operations are acquired by a third-party, to control the election of the Board, to significantly influence the members of management and to generally direct the affairs of Irri-Al-Tal.

Substantial Capital Requirements

Irri-Al-Tal has limited financial resources and may require substantial additional equity or debt financing in order to carry out its business objectives, including the continued development of new and upgraded functionality of Irri-Al-Tal's products and services. There can be no assurance that debt or equity financing or cash generated by operations would be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it would be on terms acceptable to Irri-Al-Tal. Failure to obtain sufficient financing may result in the delay or indefinite postponement of development or production on any or all of Irri-Al-Tal's products and services which could have a Material Adverse Effect on Irri-Al-Tal's business, financial condition and results of operations.

Dividend Policy

No dividends on the IAT Shares have been paid by Sagittarius or Irri-Al-Tal to date. Payment of any future dividends will be at the discretion of the Board after taking into account many factors, including Irri-Al-Tal's financial condition, results of operations, financial requirements of Irri-Al-Tal to finance future growth and other factors which the Board considers appropriate in the circumstances. At this time, Irri-Al-Tal anticipates using all available cash resources towards its stated business objectives and retaining all earnings, if any, to finance its business operations and accordingly, has no plans to pay any dividend.

Conflicts of Interest

Certain directors and officers of Irri-Al-Tal and the proposed directors of Irri-Al-Tal, are also directors, officers, or shareholders of other companies, which may give rise to conflicts of interest from time-to-time. The directors of Irri-Al-Tal will be required by law to act honestly and in good faith with a view to the best interests of Irri-Al-Tal and to disclose any interest that they may have in any project or opportunity of Irri-Al-Tal. If a conflict of interest arises at a meeting of the Board, any director in a conflict is required under the applicable corporate laws to disclose his interest and to abstain from voting on such matter.

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Management Discussion and Analysis
For the Year Ended December 31, 2017

Managements Responsibility for Financial Reporting

The information provided in this report, is the responsibility of management. During the preparation of financial statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements.

Management maintains a system of internal controls to provide reasonable assurance that Irri-Al-Tal's assets are safeguarded and to facilitate the preparation of relevant and timely information.

Irri-Al-Tal's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Board's Audit Committee meets with management quarterly to review the financial statement results, including the MD&A, and to discuss other financial, operating and internal control matters. The Audit Committee receives a report from the independent auditors annually and is free to meet with them throughout the year.

August 22, 2018

Ohad Haber

Chief Executive Officer

SCHEDULE "E"
MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS OF IRRI-AL-TAL
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2018

IRRI-AL-TAL LTD.

**Management's Discussion and Analysis
For the Six and Three Months Ended June 30, 2018**

Irri-Al-Tal Ltd.

Management Discussion and Analysis

For the Six and Three Months Ended June 30, 2018

1. MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis is management's assessment of the results and financial condition of Irri-Al-Tal Ltd. (collectively, "**Irri-Al-Tal**").

The following information should be read in conjunction with Irri-Al-Tal's unaudited financial statements for the six and three months ended June 30, 2018 and the notes to those financial statements.

The date of this management's discussion and analysis ("**MD&A**") is October 15, 2018. Irri-Al-Tal's comparative amounts in this MD&A have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). All dollar amounts are stated in United States dollars ("**USD**") unless otherwise indicated.

Certain capitalized terms used in this MD&A which are not defined have the meanings ascribed thereto under "*Glossary of Terms*" in the prospectus of Sagittarius Capital Corporation of which this MD&A is a schedule (the "**Prospectus**").

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation ("**forward-looking information**"). Such forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Irri-Al-Tal to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth below and as detailed under "*Risks and Uncertainties*" in this MD&A and "*Forward-Looking Statements*" and "*Risk Factors*" in the Prospectus.

Although Irri-Al-Tal has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking information contained herein is given as of the date of this MD&A and Irri-Al-Tal disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results, except as may be required by applicable securities laws. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.

Irri-Al-Tal Ltd.

Management Discussion and Analysis
For the Six and Three Months Ended June 30, 2018

2. DESCRIPTION OF BUSINESS

Corporate Structure of Irri-Al-Tal

Irri-Al-Tal was incorporated on October 11, 2003 under the laws of the State of Israel. Irri-Al-Tal's registration number is 513467944, with its registered and head office address at P.O.B. 7 Kibbutz Ramat-David 3658700, Israel.

On February 26, 2018 Irri-Al-Tal filed with State of Israel Department of Justice Corporations Authority Approval of registration of notice of increase of registered capital to increase its authorized share count from 100 ordinary shares in the capital of Irri-Al-Tal ("**IAT Shares**") to 100,000,000 IAT Shares.

On April 8, 2018 Irri-Al-Tal completed a share split of 285,000 for 1, which increased the issued and outstanding IAT Shares to 28,500,000 IAT Shares each with a par value of NIS 0.0000035, and increased the authorized capital to 28,500,000,000,000 IAT Shares.

Overview of Operations

Irri-Al-Tal is an agriculture technology company that specializes in providing water irrigation solutions to agricultural producers. Irri-Al-Tal competes in the global irrigation water systems market with a focus on developing solutions with commercial applications in the micro and precision irrigation segments of the overall market.

There are several methods of irrigation and they vary in how water is supplied to the plants with the goal being uniform application of water to all plants such that each plant gets precisely the amount of water it needs. Surface irrigation is the oldest form of irrigation and has been in use for thousands of years. In surface (furrow, flood or level basin) irrigation systems, water moves across the surface of agricultural lands, in order to infiltrate into the soil and hydrate plants. It is often called flood irrigation when the irrigation results in flooding or near flooding of the cultivated land. Historically, this has been the most common method of irrigating agricultural land and is still used in many parts of the world.

Irri-Al-Tal's main revenue streams are derived from the following business units:

- i) Project Services Business Unit; and
- ii) Products - Component and Equipment Sales Unit

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For the Six and Three Months Ended June 30, 2018

Significant financial developments during the period

A. LETTER OF INTENT

On December 28, 2017, the Company entered into a letter of intent ("**LOI**") with Sagittarius Capital Corporation ("**Sagittarius**"), a company incorporated under Business Corporations Act (Ontario) that is classified as a Capital Pool Company under the policies of the TSX Venture Exchange (the "**Exchange**"). Pursuant to the terms of the LOI the Company will exchange all its issued and outstanding securities for corresponding securities of Sagittarius and become a wholly-owned subsidiary of Sagittarius. Completion of the Transaction is subject to completion of due diligence, receipt of all required regulatory, director and shareholder approvals, execution of definitive agreements and certain other conditions that are customary for transactions of this nature. If successful, the combined entity will continue as a publicly listed company on the Exchange.

On June 21, 2018, Irri-Al-Tal entered into amended and restated LOI with Sagittarius, whereby Sagittarius has agreed to acquire all issued and outstanding shares of Irri-Al-Tal by way of a securities exchange (the "**Securities Exchange**") issuing two (2) post-Consolidation Sagittarius Shares for each issued and outstanding IAT Share (the "**Exchange Ratio**"). According to the terms of the original LOI, the exchange ratio was increased from one post-Consolidation Sagittarius Share for each IAT Share to two post-Consolidation Sagittarius Shares for each IAT Shares issued and outstanding. Immediately prior to the completion of, and as a condition to, the Securities Exchange, Sagittarius shall consolidate the outstanding common shares on the basis of one (1) common Share for 1.4964285 outstanding Sagittarius Shares (the "**Consolidation**"). The Consolidation was approved by Sagittarius shareholders at a special meeting on August 15, 2018 and remains subject to approval of the Exchange.

Prior to completing the Securities Exchange, Irri-Al-Tal intends to complete an additional private placement (the "**Concurrent Private Placement**") of up to 4,000,000 units ("**IAT Units**") at a price of CAD\$0.50 per IAT Unit for gross proceeds of up to CAD\$2,000,000. Each IAT Unit will be comprised of one IAT Share and one half of one (1/2) IAT Share purchase warrant (the "**IAT Warrants**"), each exercisable into IAT Shares at a price of CAD\$0.80 for a period of 24 months from the date of issuance. Irri-Al-Tal will also pay a finder's fee equal to 8% of the gross proceeds raised under the Concurrent Private Placement and finder's warrants ("**PP Finder's Warrants**") equal to 8% of the IAT Units issued pursuant to the Concurrent Private Placement. Each PP Finder's Warrant will be exercisable into one IAT Share at a price of \$0.50 per IAT Share for a period of 24 months from issuance.

In addition, Sagittarius announced that it has entered into an engagement letter with Leede Jones Gable Inc. (the "**Agent**") to act as lead agent for an offering (the "**Concurrent Financing**") to be completed concurrently with the Transaction.

It is intended that the Concurrent Financing will be conducted as a public offering of units of Sagittarius (the "**Units**") via a prospectus. Sagittarius intends to issue up to 16,000,000 Units at a price of CAD\$0.25 per Unit for maximum gross proceeds of CAD\$4,000,000 (the "**Maximum Offering**") and a minimum of 8,000,000 Units for the minimum gross proceeds of CAD\$2,000,000 (the "**Minimum Offering**"). Sagittarius will also grant the Agent an over-allotment option to sell additional Units equal to 15% of the Maximum Offering. Each Unit will be comprised of one Sagittarius Share and ½ of one Sagittarius Share purchase warrant (a "**QT Warrant**"). Each QT Warrant will allow the holder to purchase one Sagittarius Share at a price of CAD\$0.40 per Sagittarius Share for a period of 24 months from the date of issuance. If following the closing of the Concurrent Financing, the closing price of the Sagittarius Shares is equal to or greater than \$0.42 for any 20 consecutive trading days, Sagittarius may, upon providing written notice to the holders

Irri-Al-Tal Ltd.

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of the QT Warrants, accelerate the expiry date of the Warrants to the date that is 30 days following the date of such written notice. Sagittarius also agreed to pay the Agent a cash fee equal to 8% of the gross proceeds of the funds raised under the Concurrent Financing and broker warrants (the "**Broker Warrants**") equal to 8% of the Units sold under the Concurrent Financing. The Broker Warrants will be exercisable into Sagittarius Shares at a price of CAD\$0.25 per Sagittarius Shares for a period of 24 months from the date of issuance, subject to certain acceleration provisions.

B. SHARE ISSUANCES.

On April 8, 2018, Irri-Al-Tal issued 1,653,571 IAT Shares to a consultant in respect of services rendered pursuant to a consulting agreement.

On April 8, 2018, following the completion of the Initial Private Placement, Irri-Al-Tal issued 2,068,390 IAT Shares to consultants in respect of services rendered to Irri-Al-Tal.

In accordance with IFRS 2 - Share-Based Payments, since the fair value of these services cannot be measured reliably, the fair value of the services received were measured at fair value based on third party valuation of the instruments issued at an amount of \$361. The valuation utilized a Monte Carlo based risk neutral model. The model was designed to simulate both the fair value of the company's assets, as well as the fair value of all the claims on these assets over time.

The main parameters used in the simulation model:

Risk free rate: 34%

Volatility of assets: 2%

Accounting treatment:

The company follows the guidance of IAS 32 regarding transaction costs and the IFRIC discussion from September 2008. At the execution of a reverse takeover transaction, the transaction costs that relate to the listing for existing shares will be expensed and the transaction costs that relate to capital raising (new shares) will be deducted from equity.

Due to the fact that the financial statements for six month ended June 30, 2018 have been finalized prior to the reverse takeover transaction, there was no reliable way to estimate the ratio between the number of new shares to be issued of the resulting issuer relative to the number of shares that are currently issued and outstanding. As such, the Company temporary accrued these issuance costs as an assets presented as part of other accounts receivable. The company has fully disclosed this in Note 4c to the financial statements and to the fact that post the RTO there will partial allocation if these issuance 361 costs based on the final reliable information.

C. BROKERED PRIVATE PLACEMENT

On April 16, 2018, Irri-Al-Tal completed a brokered private placement resulting in gross proceeds of CAD\$1,391,775 (the "**Brokered Private Placement**"). The Brokered Private Placement involved the sale of 3,976,502 units at a price of CAD \$0.35 per unit (the "**Brokered Units**"), with

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Foundation Markets Inc. ("**FMI**"), which has acted as the agent for the Brokered Private Placement. Each Brokered Unit is comprised of one IAT Share and one half ordinary share purchase warrant (the "**Brokered Warrants**"). Each Brokered Warrant entitles the holder thereof to acquire one additional Common Share at an exercise price equal to the lower of (i) CAD \$0.55 and (ii) the price per security at which securities are issued in any financing completed in connection with a liquidity event for Irri-Al-Tal, as defined in the agency agreement dated as of April 16, 2018 ("**Qualifying Event**"), with such Brokered Warrants being exercisable for a period of 24 months from the closing date of the Qualifying Event.

With respect to the first closing of the Brokered Private Placement, Irri-Al-Tal paid finder's fees of CAD\$111,342 and issued 318,120 options (the "**Broker Options**"). Each Broker Option entitles the holder thereof to acquire one additional Brokered Unit at an exercise price of CAD\$0.35 per Brokered Unit at any time until the earlier of (i) the two-year anniversary of the closing of a Qualifying Event or (ii) five years from the closing date on which the applicable Broker Options were issued.

On May 29, 2018, Irri-Al-Tal completed the second closing of the above-mentioned Brokered Private Placement resulting in gross proceeds of CAD\$358,225 ("**Second Closing**"). The Second Closing involved the sale of 1,023,499 Brokered Units.

With respect to the second closing of the Brokered Private Placement, Irri-Al-Tal paid finder's fees of CAD\$28,658 and issued 81,880 Broker Options.

D. SECURITIES EXCHANGE AGREEMENT

On August 21, 2018, Irri-Al-Tal entered into an agreement with Sagittarius to complete the Securities Exchange ("**Securities Exchange Agreement**"), whereby Irri-Al-Tal and holders of IAT Shares have agreed to, among other things, exchange all issued and outstanding IAT Shares on the basis of two post-Consolidation Sagittarius for each IAT Share. Sagittarius will also issue 9,000,000 consideration warrants, 800,000 consideration compensation options and 640,000 consideration finder's warrants, in exchange for 2,500,000 Brokered Warrants, 2,000,000 IAT Warrants, 400,000 PP Broker Options and 320,000 PP Finder's Warrants, in accordance with their terms (assuming that the Concurrent Private Placement is fully subscribed).

The Securities Exchange will effectively provide for the acquisition of all of the outstanding equity interests of Irri-Al-Tal by Sagittarius in a transaction in which the security holders of Irri-Al-Tal will receive securities of Sagittarius. As a result of the Securities Exchange, Sagittarius will become the sole registered and beneficial owner of all of the outstanding securities of Irri-Al-Tal and Irri-Al-Tal will become a wholly-owned Subsidiary of Sagittarius.

The Securities Exchange Agreement contains covenants, representations and warranties of and from each of Sagittarius and Irri-Al-Tal and various conditions precedent, both mutual and with respect to each entity.

The Securities Exchange is subject to approval of shareholders of Sagittarius of the name change of Sagittarius to "Water Ways Technologies Inc.", and the Consolidation is a condition of closing in favour of Irri-Al-Tal. Such approvals were obtained at Sagittarius shareholders' meeting on August 15, 2018, but the Securities Exchange remains subject to approval of the Exchange.

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Financial Review

The following financial data prepared in accordance with IFRS in thousands of USD is presented for the six and three months ended June 30, 2018 and 2017.

	Three months period ended June 30, 2018	Three months period ended June 30, 2017	Six months period ended June 30, 2018	Six months period ended June 30, 2017
	Unaudited	Unaudited	Unaudited	Unaudited
Revenues:				
Services	3,185	2,161	4,098	2,532
Products	1,489	648	2,630	1,358
Total revenues	<u>4,674</u>	<u>2,809</u>	<u>6,728</u>	<u>3,890</u>
Cost of revenues:				
Services – Projects	2,724	1,770	3,329	2,035
Products	<u>1,202</u>	<u>598</u>	<u>2,197</u>	<u>1,239</u>
Total cost of revenues	<u>3,926</u>	<u>2,368</u>	<u>5,526</u>	<u>3,274</u>
Gross profit	748	441	1,202	616
Selling, general and administrative expenses	<u>322</u>	<u>149</u>	<u>556</u>	<u>290</u>
Operating profit	426	292	646	326
Finance expenses	3	20	19	151
Finance Income	(44)	-	(46)	(1)
Share in loss of associated company	<u>(2)</u>	<u>-</u>	<u>(18)</u>	<u>-</u>
Profit before taxes on income	234	272	655	176
Taxes on income	<u>(111)</u>	<u>(16)</u>	<u>(155)</u>	<u>0</u>
Total comprehensive income	<u>355</u>	<u>256</u>	<u>500</u>	<u>176</u>
basic profit per share attributable to shareholders (*)	0.01	0.009	0.016	0.006
Weighted average shares outstanding	35,193,024	28,500,000	31,846,512	28,500,000

*the amounts presented after giving the effect of share split as noted in Note 4.

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The following information present total revenues by areas of operation for the six and three months ended June 30, 2018 and 2017:

	Six months ended		Three months ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Africa	1,483	2,198	746	1,719
South and Central America	3,976	938	3,096	445
Asia	10	530	-	530
Europe	357	118	299	66
Others	902	106	533	49
	6,728	3,890	4,674	2,809

Major customers over 10% of the Company's revenues were as follows:

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Customer A	32%	40%
Customer B	15%	13%
Customer C	11%	11%

Six and three months ended June 30, 2018 compared to six and three months ended June 30, 2017

Revenues

For the six months ended June 30, 2018, total revenues amounted to \$6,728 as compared to \$3,890 for the six months ended June 30, 2017. The revenues from service projects increased to \$4,098 from \$2,532 for the six months ended June 30, 2017. The revenues from sales of products increased to \$2,630 from \$1,358 for the six months ended June 30, 2017. The increase in revenue was from both the Project Services Business Unit and the product Sales Unit.

Total service projects in deployment amounted to \$6,819 of which revenue of \$4,098 was recognized for the six months ended June 30, 2018, an increase from total service project deployment of \$4085 of which revenue of \$2,532 was recognized for the six months ended June 30, 2017. The increase was due to deployment of nine irrigation service projects in Guatemala, Ecuador Peru, Nigeria, Cameroon, Ethiopia and Israel, in the six months ended June 30, 2018 compared with deployment of five irrigation service projects in Ethiopia and the Philippines in the six month ended June 30 2017.

Increase in product revenue was mainly due to an increase in revenue to the distributor in Peru to \$1,201 in the six months ended June 30 2018 from \$522 for the six months ending June 30 2017, The additional increase was attributed to appointing a new distributor in the Balkan countries, which resulted in additional revenue of \$241, and additional sales to the Chinese market through an Israeli distributor resulting in sales of \$222.

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For the three months ended June 30, 2018, total revenues amounted to \$4,674 compared with \$2,809 for the three months ended June 30, 2017. The revenues from service projects increased to \$3,185 for the three months ended June 30 2018 from \$2,161 for the three months ended June 30, 2017. The revenues from products increased to \$1,489 for the three months ended June 30 2018 from \$648 for the three months ended June 30, 2017.

Total service projects in deployment amounted to \$6,819 of which revenue of \$3,185 was recognized for the three months ended June 30, 2018 an increase from total service project deployment of \$4,085 of which revenue of \$2,161 were recognized the six months ended June 30, 2017. The increase was due to deployment of 9 irrigation service projects in Guatemala, Ecuador Peru, Nigeria Cameroon, Ethiopia and Israel, in the six months ended June 30, 2018 compared with deployment of 5 irrigation service projects in Ethiopia and the Philippines in the six month ended June 30 2017.

Increase in product revenue was mainly due to an increase in revenue to the distributor in Peru to \$600 in for the three months ending June 30, 2018 from \$212 as of June 30 2017, Additional increase was attributed to appointing a new distributor in the Balkan Countries resulting in revenue of \$241.

Major customers amounted to 58% of revenue in the six months ended June 30 2018 and were comprised of two service projects in Peru and Nigeria and sales to a distributor in Peru compared with 64% in the six months ended 2017 comprising of two service projects in Ethiopia and the Philippines and distributor in Peru.

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Cost of revenue

For the six months ended June 30, 2018, cost of revenues amounted to \$5,526 as compared to \$3,274 for the six months ended June 30, 2017. The increase is due to the associated increase in product sales and the increase of service projects over the period.

Cost of revenues in service projects increased to \$3,229 for the six months ended June 30, 2018 from \$2,035 for the six months ended June 30, 2017. The increase was due to the associated increased revenues of service projects over the period.

Cost of revenues in the product sales segment increased to \$2,297 for the six months ended June 30, 2018 from \$1,239 for the six months ended June 30, 2017. The increase was due to the associated increase in revenue of products over the period.

For the three months ended June 30, 2018, cost of revenues amounted to \$3,926 as compared to \$2,368 for the three months ended June 30, 2017. The increase is due to the associated increase in product revenue and the increase of recognition of revenue of projects over the period.

Cost of revenues in service projects increased to \$2,624 for the three months ended June 30, 2018 from \$1,770 for the three months ended June 30, 2017. The increase was due to the associated increased revenue of service projects over the period.

Cost of revenues in the product sales segment increased to \$1,302 for the three months ended June 30, 2018 from \$598 for the three months ended June 30, 2017. The increase was due to the associated increase in revenue of products over the period.

Gross Profit

For the six months ended June 30, 2018, gross profit amounted to \$1,212 as compared to \$616 for the six months ended June 30, 2017.

Gross profit in service projects increased to \$869 for the six months ended June 30, 2018 from \$497 for the six months ended June 30, 2017. The increase was due to the associated increase in revenue of service projects over the period, and a higher margin in one of the recognized service projects. Gross profit in the product sales segment increased to \$333 for the six months ended June 30, 2018 from \$119 for the six months ended June 30, 2017. The increase was due to the associated increase in revenue of products and a difference in the product mix and lower sales commissions.

Gross profit in service projects increased to \$561 for the three months ended June 30, 2018 from \$391 for the six months ended June 30, 2017. The increase was due to the increase in revenue of service projects, and a higher margin in one of the recognized service project

Gross profit in the product sales segment increased to \$186 for the three months ended June 30, 2018 from \$50 for the three months ended June 30, 2017. The increase was due to the increase in revenue of products and a difference in the mix of products, and lower sales commission accounted for.

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Selling, general and administrative expenses

For the six months ended June 30, 2018, selling, general and administrative expenses amounted to \$556 compared with \$290 for the six months ended June 30, 2017. The increase in selling, general and administrative expenses in 2018 was as a result of an increase in wages which were required to support the increase in operations in general. Irri-Al-Tal hired additional sales staff to support the growing sales and paid a semi-annual bonus to the CEO.

For the three months ended June 30, 2018, selling, general and administrative expenses amounted to \$322 compared to \$149 for the three months ended June 30, 2017. The increase in selling, general and administrative expenses in 2018 was as a result of an increase in wages which were required to support the increase in operations in general. Irri-Al-Tal hired additional sales staff to support the growing sales and paid a semi-annual bonus to the CEO.

Finance income and expenses

For the six months ended June 30, 2018, finance income amounted to \$46 compared with \$1 for the six months ended June 30, 2017. For the six months ended June 30, 2018 finance expenses amounted \$19 compared with \$151 for the six months ended June 30, 2017. The increase in finance income in 2018 was as a result of exchange rate fluctuations between the \$ and the NIS. The decrease in finance expenses was as result of exchange rate differences between the date of payments by the customers to the date of payment to the suppliers.

For the three months ended June 30, 2018, finance income amounted to \$44 compared with \$0 for the three months ended June 30, 2017. Financial income was due to exchange rate differences between the NIS and the \$. For the three months ended June 30, 2018 finance expenses amounted \$3 thousand compared with \$20 thousand for the three months ended June 30, 2017. The increase in finance income in 2018 was as a result of exchange rate fluctuations between the \$ and the NIS. The income was attributed to exchange range differences between the dates of payments by the customers to the date of payment to the suppliers.

3. LIQUIDITY AND CAPITAL RESOURCES

The financial statements to which this MD&A relates have been prepared on a going concern basis whereby Irri-Al-Tal is assumed to be able to realize its assets and discharge its liabilities in the normal course of operations. The financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern assumption was not appropriate for Irri-Al-Tal's financial statements, then adjustments of a material nature would be necessary in the carrying value of assets.

As of June 30, 2018, Irri-Al-Tal had working capital of \$2,589 compared with \$629 for the year ending December 31, 2017. The working capital consisted of current assets of cash and cash equivalents, short term deposits, accounts receivables, other receivables, inventory, current liabilities of accounts payable and accrued liabilities and the short-term portion of long term loans.

Irri-Al-Tal expects to generate sufficient amount of cash and cash equivalents from operations to maintain Irri-Al-Tal's current capacity to generate cash flow and be able to achieve modest financial targets through organic growth, including pursuing certain development activities relating to its planned development of the "Precise Irrigation System". In order to assist with meeting short-term financial needs to fund operations, as of June 30, 2018 Irri-Al-Tal has access to the following sources of financing: i) unutilized credit line with a major Israeli bank totaling credit lines in the amounts of NIS 200,000 (approximately \$58,000), \$10,000 and €40,000; and an unused credit facility of NIS 1,000,000 (approximately \$278,000). Irri-Al-Tal's credit facilities bear

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interest at a rate of 4.6% per annum. Irri-Al-Tal has access to a supplier credit of 180 days with several key suppliers amounting to over \$2,500. In addition, Irri-Al-Tal aims to manage potential credit risk in relation to customer receivables through use of letters of credit and trade insurance policies in an effort to reduce fluctuations in its liquidity position.

Irri-Al-Tal's ability to generate cash and cash equivalents from operations depends largely on the state of global markets for irrigation products and services and, in particular, emerging nations, which are inherently subject to risk. Irri-Al-Tal does not have any commitments for capital expenditures or knowledge of trends or expected fluctuations in capital resources that may give rise to additional capital expenditure commitments. While management is not aware of any specific factors or trends which may give rise to significant fluctuations in Irri-Al-Tal's liquidity position require significant capital expenditures in order to continue operations or compromise its ability to meet its financial obligations, Irri-Al-Tal's business is subject to a number of risks and uncertainties. See "*Risk and Uncertainties*" in this MD&A and "*Risk Factors*" in the Prospectus.

Irri-Al-Tal is seeking to pursue a number of expansion initiatives, which include: i) opening new marketing offices in the Balkans, Mexico and China; ii) pursuing project finance initiatives as a part of its Project Finance Sub-Unit; and iii) pursuing a more aggressive schedule to complete development of the Precise Irrigation System. These initiatives require Irri-Al-Tal to secure additional external capital in order to meet objectives of any or all of these initiatives. To this end, in order to secure the capital necessary to pursue these initiatives, Irri-Al-Tal is seeking to complete the Concurrent Private Placement and the Securities Exchange with Sagittarius, upon Sagittarius completing a Concurrent Financing. It is intended that the Concurrent Financing will be conducted as a public offering of units of Sagittarius (the "**Units**") via a prospectus. Sagittarius intends to issue up to 16,000,000 Units at a price of CAD\$0.25 per Unit for maximum gross proceeds of CAD\$4,000,000 (the "**Maximum Offering**") and a minimum of 8,000,000 Units for the minimum gross proceeds of CAD\$2,000,000 (the "**Minimum Offering**"). Pursuing these expansion initiatives, including the project financing initiative, are contingent on Irri-Al-Tal securing additional financing through the Concurrent Private Placement and/or completion of the Securities Exchange and completing a public offering of Sagittarius. Irri-Al-Tal will not proceed with these initiatives unless it secures sufficient capital to do so. Once the project financing initiative is in place, Irri-Al-Tal's management will carefully plan the project finance facility by analyzing the timing of cash flows and liquidity requirements of each service project to be financed. Management will also review the collateral and financial stability of the customer.

Six months ended June 30, 2018, compared to the six months ended June 30, 2017

During the six months ended June 30, 2018, Irri-Al-Tal's overall position of cash and cash equivalents increased by \$1,753.

Irri-Al-Tal's net cash provided by operating activities during the six months ended June 30, 2018 was \$428 as compared to \$1,409 for the six months ended June 30, 2017. The decrease in net cash provided by operating activities in the first half of fiscal 2018 was due primarily to a decrease in advances from customers to \$9 from \$1,665 in the six months ended June 30, 2017. The decrease in net capital in the six months ended June 30, 2018 compared with the six months ended June 30, 2017 was due to a one time extraordinary advance payment for a service project received in 2017.

Cash used in investing activities during the six months ended June 30, 2018 was \$78 as compared to \$54 for the six months ended June 30, 2017.

Cash provided by financing activities for the six months ended June 30, 2018 was \$903 as compared to cash provided by financing activities of \$34 for the six months ended June 30, 2017.

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The cash provided in fiscal 2018 relates to issuance of shares (see note 3c to the financial statements for the three and six months ended June 30, 2018) and repayment of loans in the amount of \$328, the cash provided in 2017 was mostly from receipt of loans.

Composition:

	Six Months ended June 30, 2018	Year ended December 31, 2017
Long term loans	\$399	\$717
Less – Current portion and short-term loans	\$(137)	\$(336)
Total Long-term portion of loans	\$262	\$381

Long-term loans from banks are due as follows:

	Six Month ended June 30, 2018	Year ended December 31, 2018
First year (current portion)	\$137	\$336
Second year	\$119	\$163
Third year	\$104	\$111
Fourth year and thereafter	\$39	\$107
Total:	\$399	\$717

Details of the long-term loans:

1. On December 23, 2014 Irri-Al-Tal secured two loans: a) loan amounted to \$66, which bears the basic interest rate quoted by the Bank of Israel ("**Prime**") plus 2.25% interest per annum. b) loan in the amount of \$24, which bears an interest rate equal to Prime plus 3.85% interest per annum. The loans will be repaid in 60 monthly installments ending on December 23, 2019.
2. On May 29, 2016 Irri-Al-Tal secured a loan in the amount of \$130, which bears an interest rate equal to Prime plus 3.5% interest per annum. The loan will be repaid in 72 monthly installments ending on May 29, 2022.
3. On August 15, 2016 Irri-Al-Tal secured a loan in the amount of \$18, which bears an interest rate equal to Prime plus 2.5% interest per annum. The loan will be repaid in 60 monthly installments ending on July 15, 2021.
4. On November 4, 2016 the Company secured a loan in the amount of \$29, which bears an interest rate equal to Prime plus 2.1% interest per annum. The loan will be repaid in 60 monthly installments ending on November 3, 2021.
5. On October 13, 2016 the Company secured a loan in the amount of \$157, which bears an interest rate equal to Prime plus 4.3% interest per annum. The loan will be repaid in 60 monthly installments ending on October 13, 2021.

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6. On June 12, 2017 the Company secured a loan in the amount of \$127, which bears an interest rate equal to Prime plus 4.2% interest per annum. The loan will be repaid in 60 monthly installments ending on June 13, 2022.
7. On July 10, 2017 the Company secured a loan in the amount of \$18, which bears an interest rate equal to Prime plus 4.3% interest per annum. The loan will be repaid in 36 monthly installments ending on July 10, 2020.

4. OFF BALANCE SHEET ARRANGEMENTS

Irri-Al-Tal has not entered into any off-balance sheet arrangements.

5. TRANSACTIONS BETWEEN RELATED PARTIES

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making operating and financial decisions. This would include Irri-Al-Tal's senior management, who are considered to be key management personnel by Irri-Al-Tal.

Parties are also related if they are subject to common control or significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Irri-Al-Tal had transactions with key management personnel during the periods indicated:

	Three months ended June 30, 2018	Three months ended June 30, 2017
	In thousands of USD	
Management fees paid to the CEO	92	38
	As of June 30, 2018	As of December 31, 2017
	In thousands of USD	
Balances owed by (to) the CEO	(27)	59

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6. FINANCIAL INSTRUMENTS AND FINANCIAL RISK EXPOSURES

Irri-Al-Tal's financial instruments consist of cash and cash equivalents, short term deposits, accounts receivables, other receivables, inventory, trade payables and other accounts payable. Unless otherwise noted, it is management's opinion that Irri-Al-Tal is not exposed to significant interest or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

Management understands that Irri-Al-Tal is exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility of these rates as its operations are located in Israel, and Irri-Al-Tal's functional and presentation currency is the USD. Irri-Al-Tal does not use derivative instruments to reduce its exposure to foreign currency risk.

Irri-Al-Tal is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management process. The overall objectives of the Board of Directors are to set policies that seek to reduce risk as far as possible without unduly affecting Irri-Al-Tal's competitiveness and flexibility.

The type of risk exposure and the way in which such exposure is managed is as follows:

a) Credit risk

Irri-Al-Tal has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to financial instruments is remote. The company sales are guaranteed either by irrevocable letters of credit or sales are subject to a foreign trade risk insurance policy covering the majority of the company's sales. For each project that Irri-Al-Tal undertakes, the practice is to secure an irrevocable letter of credit confirmed by a reputable bank with respect to the major customer accounts. In the case of each of the two customers which represent approximately 40% of the revenues, Irri-Al-Tal secured such letters of credit, to assure payment.

b) Liquidity Risk

Irri-Al-Tal's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they come due. As of June 30, 2018, Irri-Al-Tal had working capital of \$2,589 thousand compares with \$629 thousand for the year ending December 31, 2017. The company has also unused credit facilities of 1,000,000 NIS with Banks. As a result, management believes that Irri-Al-Tal's exposure to liquidity risk is not material.

c) Market Risk

i) Interest rate risk

Irri-Al-Tal has cash and short-term investments. Irri-Al-Tal's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. Irri-Al-Tal periodically monitors the investments it makes and is satisfied with the competitive interest rates it has through its banking relationships.

ii) Foreign currency risk

Irri-Al-Tal is exposed to foreign exchange risk as its research operations are conducted primarily in Israel, however the R&D budget and development contracts

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are agreed in US Dollars and, as the majority of income is in US Dollars, the risk exposure is only to related expenses in NIS.

c) Fair Values

The carrying values of short term deposits, trade account receivable other receivables, inventory, trade accounts payable and other accounts payables approximate their fair values due to their short terms to maturity.

The cash, short term investments and investments are valued using quoted market prices in active markets.

7. CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements to which this MD&A relates requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and also in future periods when the revision affects both current and future periods.

The critical judgments and significant estimates in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are:

IFRS 15 – "Revenue from Contracts with Customers" ("IFRS 15")

Irri-Al-Tal applies IFRS 15 as of January 1, 2018. The Standard supersedes other IFRS provisions relating to revenue recognition. Irri-Al-Tal adopted IFRS 15 using the "modified" retrospective method with the cumulative effect of initially applying IFRS 15 recognized at the date of initial application, accordingly, under this transition method, an entity may elect to apply IFRS 15 retrospectively only to contracts that are not completed contracts at the date of initial application. The adoption of IFRS 15 had no impact on Irri-Al-Tal's financial statements as Irri-Al-Tal derives revenues from sales of products and providing project services. Irri-Al-Tal sells its products and services directly through its sales force and independent sales agents. Irri-Al-Tal determines revenue recognition through the following steps:

- Identification of the contract, or contracts, with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when, or as, Irri-Al-Tal satisfies its performance obligations under the contract.

Revenue is measured as the amount of consideration that Irri-Al-Tal is expected to receive in exchange for transferring goods or providing services to the customer. The amount of consideration is usually at fixed price at the contract inception. Taxes assessed by various government entities, such as sales taxes, use and value-added taxes, collected at the time of sale are excluded from revenue.

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For the Six and Three Months Ended June 30, 2018

Revenue from sales of irrigation equipment and water systems to agricultural producers is recognized when the customer has taken control of the goods, which occurs at a point in time based on the shipping terms.

Revenue from providing project services is derived from long-term fixed-price contracts with customers pursuant to which Irri-Al-Tal provides design, installation and maintenance of turnkey irrigation systems for application in various agricultural and aquaculture operations. Revenues on these long-term fixed-price contracts are recognized using the percentage-of-completion method. In using the percentage of completion method, revenues are generally recorded on the basis of the percentage of cost incurred to date on a contract relative to the estimated total expected contract cost. Management uses past experience, project plans and an assessment of the risks and uncertainties specific to the project in order to estimate total expected contract cost. The percentage of completion is established by the costs incurred to date as a percentage of the estimated total costs of each contract (cost-to-cost method). Contract costs include all direct material and labor costs, as control is transferred over time since, Irri-Al-Tal's performance does not create an asset with an alternative use to Irri-Al-Tal. As Irri-Al-Tal utilizes various forms of financial guarantees from first-tier international banks to provide payment assurance for the amounts receivable from its customers, Irri-Al-Tal's management believes that its credit risk is limited on projects which have not yet been completed, but for which Irri-Al-Tal has recognized revenue.

Irri-Al-Tal utilized the practical expedient provided by IFRS 15 for significant components of financing, as contracts are usually for periods of less than one year.

Irri-Al-Tal provides a one-year manufacturer (back to back with the manufacturer – a third party) warranty for all the components that are part of a system. Such warranty does not provide the customer with additional services, therefore the service cost is not recognized as a financial obligation to Irri-Al-Tal was not accounted as a separate performance obligation but rather as a provision.

The adoption of IFRS 15 had no impact on the Company's financial statements.

Contract assets - Unbilled receivables are presented in 'trade account receivables' on the balance sheet.

Contract liabilities - Advances received from projects' customers are presented in 'deferred revenues', and advances received from products' customers are presented in 'other accounts payable' on the balance sheet.

Taxes on income

Irri-Al-Tal recognizes tax-related assets and liabilities based on Irri-Al-Tal's current understanding of tax laws as applied to Irri-Al-Tal's circumstances. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

8. NEW ACCOUNTING POLICIES ADOPTED

During the six months ended June 30, 2018, Irri-Al-Tal adopted IFRS 9 - "Financial Instruments", which applies to annual periods beginning on January 1, 2018. IFRS 9 had no material impact on Irri-Al-Tal's financial statements. Irri-Al-Tal also adopted IFRS 15 - "Revenue from Contracts

Irri-Al-Tal Ltd.

Management Discussion and Analysis

For the Six and Three Months Ended June 30, 2018

with Customers", which applied retrospectively for annual reporting periods starting on January 1, 2018 and had no material impact on its financial statements.

9. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for future accounting periods. Many are not applicable to or do not have a significant impact on Irri-al-tal and have been excluded from the list below. The following have not yet been adopted and are being evaluated to determine their impact on Irri-al-tal.

IFRS 16- "Leases" (hereafter – IFRS 16)

Adoption of IFRS 16 will result in Irri-Al-Tal recognizing right of use assets and lease liabilities for all contracts that are, or contain, a lease. For leases currently classified as operating leases, under current accounting requirements Irri-Al-Tal does not recognize related assets or liabilities, and instead spreads the lease payments on a straight-line basis over the lease term, disclosing in its annual financial statements the total commitment.

Instead of recognizing an operating expense for its operating lease payments, Irri-Al-Tal will instead recognize interest on its lease liabilities and amortization on its right-of-use assets.

The amendments are effective for reporting periods (interim and annual) beginning after January 1, 2019.

Irri-Al-Tal believes that IFRS 16 is not expected to have a material impact on its financial statements.

10. COMMITMENTS

Liens

- (i) Five of Irri-Al-Tal's motor vehicles are pledged as security to local banks and financial institutions who granted the loans for the purchase of the motor vehicles. The total amount of the loans secured by Irri-Al-Tal's motor vehicles is \$75. The pledges are in place until the loans have been repaid.
- (ii) Short-terms deposits in the bank in amount of EUR 12 thousand are secured to an Israeli bank.
- (iii) Irri-Al-Tal recorded a floating charge over all of Irri-Al-Tal's assets in favor of an Israeli bank.
- (iv) Irri-Al-Tal recorded a first charge over short term deposits in the amount of \$76 (NIS 262,624) to an Israeli bank until the total repayment of loans which have a balance of \$215 as of June 30, 2018.

Irri-Al-Tal Ltd.

Management Discussion and Analysis
For the Six and Three Months Ended June 30, 2018

11. OTHER INFORMATION

The following details the ordinary shares, warrants, compensation warrants, and stock options, warrants outstanding:

Common Shares - Balance at the date hereof – 37,221,961

Share Purchase Warrants

Number Of Warrants	Exercise Price	Exercisable at June 30, 2018	Expiry Date
2,500,000	(1)	2,500,000	(2)

(1) lower of (i) \$0.55 and (ii) the price per security at which securities are issued in any financing completed in connection with a qualifying transaction or other liquidity event for Irri-Al-Tal-

(2) 24 months from the closing date of the Qualifying Event

Broker Options

Number Of Warrants	Exercise Price	Exercisable at June 30, 2018	Expiry Date
400,000	(3)	400,000	(4)

(3) lower of (i) \$0.35 and (ii) the price per security at which securities are issued in any financing completed in connection with a qualifying transaction or other liquidity event for Irri-Al-Tal

(4) The earlier of (i) the two-year anniversary of the closing of a Qualifying Event or (ii) five years from the closing date on which the applicable Broker Options were issued.

12. RISKS AND UNCERTAINTIES

Irri-al-tal's business will faces numerous financial and market risks, including those described below, as well as general economic and business risks. A summary of the risks facing Irri-Al-Tal can be found in the management's discussion and analysis for the twelve months ended December 31, 2017 which is a schedule to the Prospectus of which this MD&A is a part, and under the heading "Risk Factors" in the Prospectus.

Managements Responsibility for Financial Statements

The information provided in this report, is the responsibility of management. During the preparation of financial statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements.

As a reporting issuer in Canada, Management of the Resulting Issuer will be responsible for maintaining an adequate system of disclosure controls and procedures ("DCP") and internal controls over financial reporting ("ICFR"), to provide reasonable assurance that Irri-Al-Tal's assets are safeguarded and to facilitate the preparation of relevant and timely information. The CEO and CFO of the Resulting Issuer will be required to file certifications relating to DCP and ICFR for the

Irri-Al-Tal Ltd.

Management Discussion and Analysis

For the Six and Three Months Ended June 30, 2018

Resulting Issuer in connection with its interim and annual filings and will be responsible for ensuring that the financial statements and management's discussion and analysis do not contain an untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made. The Resulting Issuer's board of directors is responsible for ensuring that management of the Resulting Issuer fulfils its responsibility, and will discharge this responsibility principally through its audit committee who will review all financial reports and management's discussion and analysis prior to filing.

SCHEDULE "F"
PRO-FORMA FINANCIAL STATEMENTS OF THE RESULTING ISSUER

IRRI-AL-TAL LTD.
Pro Forma Consolidated Statement of Financial Position
As of June 30, 2018

(Expressed in Thousands of United States Dollars)

(Unaudited)

IRRI-AL-TAL LTD.

Pro Forma Consolidated Statement of Financial Position

As of June 30, 2018

(United States Dollars In Thousands, except per share data)

(Unaudited)

	Sagittarius Capital Corporation (*)	Irri-al Tal Ltd.	Notes	Pro forma adjustments	Pro forma Consolidated
ASSETS					
Current					
Cash and cash equivalents	5	1,927	2(b) 2(c)	1,245 (200)	2,977
Short term deposits	-	171			171
Trade accounts receivable	-	3,400			3,400
Other accounts receivable	24	1,065			1,089
Inventory	-	1,194			1,194
Total current assets	29	7,757		1,045	8,831
Non-current					
Deferred tax assets	-	21			21
Investment in affiliated company	-	161			161
Property, plant and equipment, net	-	202			202
Total Assets	29	8,141		1,045	9,215
EQUITY AND LIABILITIES					
Current					
Trade accounts payable	77	3,869			3,946
Due to related parties	11	-			11
Short term loans and current portion of long term loans	-	137			137
Deferred revenues	-	743			743
Other accounts payable	-	419			419
Total current liabilities	88	5,168		-	5,256
Non-current					
Warrant liability	-	48	2(b)	185	233
Long term loans	-	262			262
Total liabilities	88	5,478		185	5,751
Shareholders' Equity					
Share capital	464	-	2(a)	(464)	-
Contributed surplus		1,542	2(a) 2(b) 2(c)	255 1,060 (200)	2,657
Foreign Currency Translation Adjustment	(16)		2(a)	16	-
Share based payments reserve	70		2(a)	(70)	-
Retained earnings (deficit)	(577)	1,121	2(a) 2(a)	577 (314)	807
Total shareholders' equity	(59)	2,663		860	3,464
Total Liabilities and Shareholders' Equity	29	8,141		1,045	9,215

(*) See Note 1 for details of translation from Canadian Dollars to US Dollars.

See the accompanying notes to the pro forma consolidated financial statements.

IRRI-AL-TAL LTD.

Pro Forma Consolidated Statement of Profit and Loss and Comprehensive Profit and Loss

For the three and six month period ended June 30, 2018

(United States Dollars In Thousands, except per share data)

(Unaudited)

For the six months ended June 30, 2018

	Sagittarius Capital Corporation (*)	Irri-al Tal Ltd	Notes	Proforma adjustments	Proforma Consolidated
Revenues:					
Services	-	4,098			4,098
Products	-	2,630			2,630
Total revenues	-	6,728			6,728
Cost of revenues:					
Services	-	3,229			3,229
Products	-	2,297			2,297
Total cost of revenues	-	5,526			5,526
Gross profit	-	1,202			1,202
Selling ,general and administrative expenses	17	556			556
Listing expense	-		2(a)	342	342
Operating profit (loss)	(17)	646		342	304
Financial income, net	-	27			27
Share in losses of associated company	-	(18)			(18)
Profit (loss) before taxes on income	(17)	655		342	313
Taxes on income		(155)			(155)
Total comprehensive income (loss)	(17)	500		342	468
Pro Forma profit per share					0.01
Pro Forma weighted average number of common shares outstanding					85,243,922

For the three months ended June 30, 2018

	Sagittarius Capital Corporation (*)	Irri-al Tal Ltd	Notes	Proforma adjustments	Proforma Consolidated
Revenues:					
Services	-	3,185			3,185
Products	-	1,489			1,489
Total revenues	-	4,674			4,674
Cost of revenues:					
Services	-	2,624			2,624
Products	-	1,302			1,302
Total cost of revenues	-	3,926			3,926
Gross profit	-	748			748
Selling ,general and administrative expenses	17	322			322
Listing expense	-		2(a)	326	326
Operating profit (loss)	(17)	426		326	100
Financial expenses. Net	-	41			41
Share in losses of associated company	-	(2)			(2)
Profit (loss) before taxes on income	(17)	465		326	139
Taxes on income		(110)			(110)
Total comprehensive income (loss)	(17)	355		326	249
Pro Forma profit per share					0.07
Pro Forma weighted average number of common shares outstanding					3,690,000

IRRI-AL-TAL LTD.**Pro Forma Consolidated Statement of Profit and Loss and Comprehensive Profit and Loss**

For the year ended ended December 31, 2017

(United States Dollars In Thousands, except per share data)

(Unaudited)

	Sagittarius Capital Corporation (*)	Irri-al Tal Ltd	Notes	Proforma adjustments	Proforma Consolidated
Revenues:					
Services	-	5,331			5,331
Products	-	5,248			5,248
Total revenues	-	10,579			10,579
Cost of revenues:					
Services	-	4,321			4,321
Products	-	4,527			4,527
Total cost of revenues	-	8,848			8,848
Gross profit	-	1,731			1,731
Selling ,general and administrative expenses	19	707			707
Listing expense	-		2(a)	293	293
Operating profit (loss)	(19)	1,024			731
Financial expenses. Net	-	(151)			(151)
Share in losses of associated company	-	(1)			(1)
Profit (loss) before taxes on income	(19)	872			579
Taxes on income		(201)			(201)
Total comprehensive income (loss)	(19)	671			780
Pro Forma profit per share					0.21
Pro Forma weighted average number of common shares outstanding					3,690,000

IRRI-AL-TAL LTD.

Notes to Pro Forma Consolidated Statement of Financial Position

(United States Dollars In Thousands, except per share data)

(Unaudited)

1. Basis of presentation

The accompanying unaudited pro forma consolidated statement of financial position of Irri-Al-Tal Ltd. ("**Irri-Al-Tal**") has been prepared by management to reflect the acquisition of Sagittarius Capital Corporation ("**Sagittarius**") by Irri-Al-Tal (the acquirer for accounting purposes) after giving effect to the proposed transactions (the "**Transaction**") as described in Note 2.

The unaudited pro forma statement of financial position has been prepared from information derived from and should be read in conjunction with the following:

1. The financial statements of Irri-Al-Tal as at and for the six-month period ended June 30, 2018 and for the year ended December 2017.
2. The financial statements of Sagittarius as at and for the six-month period ended June 30, 2018 and for the year ended December 31, 2017.

The Functional currency of Sagittarius prior to the Transaction is the Canadian Dollar. Since the functional currency of Irri-Al-Tal is the US Dollar, the financial statements of Sagittarius have been translated to US Dollars as follows:

- a. Monetary assets and liabilities – at the rate of exchange as of June 30, 2018.
- b. Share capital – at the rate of exchange as of December 31, 2015.
- c. Accumulated deficit – at the rate of exchange at the end of the year for each of December 31, 2015, 2016 and 2017.
- d. Profit and loss for the six months ended June 30, 2018 – at the average exchange rate for the six-months period ended June 30, 2018.
- e. Profit and loss for the year ended December 31, 2017– at the average exchange rate for the year ended December 31, 2017.
- f. The balance of the above-mentioned translated was charged to foreign currency Translation reserve.

The unaudited pro-forma consolidated statement of financial position of Irri-Al-Tal has been presented assuming the Transaction had been completed on June 30, 2018.

The Transaction has been accounted for in accordance with IFRS 2: Share-Based Payment. The Transaction is considered to be a reverse takeover of Sagittarius by Irri-Al-Tal. The Transaction has been accounted for in the unaudited pro-forma consolidated statement of financial position as a continuation of the financial statements of Irri-Al-Tal, together with a deemed issuance of shares, equivalent to the shares held the former shareholders of Sagittarius. The fair value of the shares issued was determined based on the fair value as determined in the Definitive Agreements (as defined below).

The unaudited pro-forma consolidated statement of financial position has been prepared by management, and, in the opinion of management, include all adjustments necessary for fair presentation. No adjustments have been made to reflect additional costs or cost savings that could result from the combination of the operations of Irri-Al-Tal and Sagittarius, as management does not anticipate any material costs or cost savings as a result of this Transaction.

The unaudited pro forma consolidated statement of financial position has been prepared for illustration purposes only and may not be indicative of the combined results or financial position had the Transaction been in effect at the date indicated.

IRRI-AL-TAL LTD.

Notes to Pro Forma Consolidated Statement of Financial Position

(United States Dollars In Thousands, except per share data)

(Unaudited)

2. Pro forma assumptions and adjustments

On August 21, 2018, Sagittarius, Irri-Al-Tal and the shareholders of Irri-Al-Tal entered into a securities exchange agreement (the "**Definitive Agreement**") pursuant to which Sagittarius will acquire all issued and outstanding shares of Irri-Al-Tal by way of securities exchange by issuing, among other things, two (2) post-consolidation shares in the capital of Sagittarius for each issued and outstanding ordinary share of Irri-Al-Tal. Prior to completion of the Transaction, Sagittarius will complete a share consolidation on a 1.4964285 to 1 basis, which is subject to shareholder approval. The share and per share data below reflect the post share consolidation amounts.

The unaudited pro forma consolidated statement of financial position gives effect to the following assumptions and adjustments:

- a. The issuance by Sagittarius of 2,800,000 common shares, to acquire 100% of the issued and outstanding ordinary shares of Irri-Al-Tal ("**Irri-Al-Tal Securities**").

A reverse takeover transaction involving a non-public operating entity and a non-operating public company is in substance a share-based payment transaction, rather than a business combination. The transaction is equivalent to the issuance of shares by the non-public operating entity, Irri-Al-Tal, for the net assets and the listing status of the non-operating public company, Sagittarius.

The fair value of the consideration is as follows:

	June 30, 2018	April 1, 2018	January 1, 2018	January 1, 2017
Deemed issuance of 2,800,000 common shares to shareholders of Sagittarius [i]	\$ 255	\$ 255	\$ 255	\$ 255

The allocation of the consideration is as follows:

Cash and cash equivalents	\$ 5	\$ 6	\$ 6	\$ 2
Receivables	\$ 24	\$ 2	\$ 1	\$ 2
Accounts payable and accrued liabilities	\$ (77)	\$ (95)	\$ (78)	\$ (42)
Amounts to due related parties	\$ (11)	\$ -	\$ -	\$ -
Net Liabilities	\$ (59)	\$ (87)	\$ (71)	\$ (38)
Transaction costs expensed	\$ 314	\$ 342	\$ 326	\$ 293

- [i] Sagattarius consolidated its outstanding share capital on a 1 for 1.4964285 basis from 4,190,000 common shares to 2,800,000 common shares outstanding.

IRRI-AL-TAL LTD.

Notes to Pro Forma Consolidated Statement of Financial Position

(United States Dollars In Thousands, except per share data)

(Unaudited)

2. Pro forma assumptions and adjustments (continued)

- b. Concurrent with the Transaction, Sagittarius will complete a public offering of between 8,000,000 and 16,000,000 units (the "**Public Offering Units**") for gross proceeds of between CAD\$2 million (\$1,582) and CAD\$4 million (\$3,163) (the "**Public Offering**"). Each Public Offering Unit consists of one common share in the capital of Sagittarius ("**Sagittarius Share**") and one-half of one common share purchase warrant ("**Public Offering Warrants**"). Each Public Offering Warrants entitles the holder to purchase a common share of Sagittarius at a price of CAD\$0.40 for a period of 24 months from the date of issuance.

These pro forma financial statements have been prepared on the basis of a Public Offering of CAD\$2 million.

If, following the closing of the Public Offering, the closing price of the Sagittarius Shares on TSX Venture Exchange ("**Exchange**") is equal to or greater than \$0.42 for any 20 consecutive trading days, Sagittarius may, upon providing written notice to the holders of the Public Offering Warrants, accelerate the expiry date of the Public Offering Warrants to the date that is 30 days following the date of such written notice. The agents under the Public Offering will receive a cash commission (the "**Agent's Commission**") equal to 8% of the gross proceeds of the Public Offering. In addition to the Agent's Commission, the agent will receive broker warrants (the "**Broker Warrants**") entitling the agents to purchase that number of Sagittarius Shares (the "**Agent's Shares**") equal to 8% of the number of Public Offering Units issued under the Public Offering. Each Broker Warrant will entitle the holder to purchase one Agent's Share at a price of \$0.25 per share Sagittarius Share at any time on or before the date that is 24 months following the closing date of the Public Offering.

The Public Offering Warrants and Broker Warrants have been valued at \$185 and \$74, respectively, using a structural risk neutral valuation model, which was applied numerically by a Monte Carlo simulation with the following assumptions:

Investment Unit price: CAD\$0.175

Exercise Price: CAD\$0.25

Risk-free rate: 1.93 %

Dividend yield: Nil

Volatility factor: 34%

Expected life: 2 years

Since the Public Offering Warrants have an exercise price denominated in a different currency (Canadian Dollars) than the functional currency of the Irri-Al-Tal (US Dollars), the Public Offering Warrants are recorded at their fair value as a derivative liability. The fair value of the Broker Warrants have been set off against equity.

The agents under the Public Offering will receive cash commissions of \$122 (assuming the minimum offering and costs associated with the Transaction to be paid in cash are estimated to be \$158. ("**Public Offering Costs**")

The net increase to share capital is \$1,060 and net proceeds from the Public offering, after deducting Public Offering Costs is \$1,245.

- c. Costs associated with the Transaction to be paid in cash are estimated to be \$200.

IRRI-AL-TAL LTD.

Notes to Pro Forma Consolidated Statement of Financial Position

(United States Dollars In Thousands, except per share data)

(Unaudited)

3. Pro Forma Share Capital

After giving effect to the pro forma assumptions in Note 2, the pro forma share capital of Sagittarius has been determined as follows:

	Notes	Number of shares	Amount
Sagittarius common shares issued and outstanding as of December 31, 2017		4,190,000	\$ 464
Elimination of Sagittarius's shares to effect a 1 to 1.4964285 consolidation		(1,390,000)	-
Shares issued to IRRIAL shareholders in connection with the Transaction [i]	2(a)	74,443,922	1,542
Elimination of Sagittarius's share capital	2(a)	-	(464)
Consideration transferred to shareholders of Sagittarius	2(a)	-	255
Shares issued in connection with public offering	2(b)	<u>8,000,000</u>	<u>1,060</u>
		<u>85,243,922</u>	<u>\$ 2,857</u>

- [i] As per Note 2, Irri-Al-Tal will execute a two (2) for one (1) share consolidation ("Consolidation"). Irri-Al-Tal's outstanding shares at June 30, 2018, prior to the Consolidation was 37,221,961, which will result in the issuance of an additional 37,221,961, totaling 72,443,922.

4. Income Taxes

The pro forma effective income tax rate applicable to the consolidated operations will be 26.5%.

SCHEDULE "G"
AUDITED FINANCIAL STATEMENTS FOR THE COMPANY
FOR THE FINANCIAL YEARS ENDED DECEMBER 31, 2017, 2016 AND 2015

SAGITTARIUS CAPITAL CORPORATION

(A capital pool corporation)

Financial Statements

For the Years ended December 31, 2017 and 2016

(Expressed in Canadian dollars)

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Statements of Cash Flows	4
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Sagittarius Capital Corporation

We have audited the accompanying financial statements of Sagittarius Capital Corporation, which comprise the statement of financial position as at December 31, 2017 and 2016, and the statement of operations and comprehensive loss, statement of cash flows and statement of changes in (deficiency) equity for the years ended December 31, 2017 and 2016, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

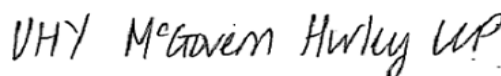
Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sagittarius Capital Corporation as at December 31, 2017 and 2016, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates that Sagittarius Capital Corporation had continuing losses during the year ended December 31, 2017 and a working capital deficiency and cumulative deficit as at December 31, 2017. These conditions along with other matters set forth in Note 1 indicate the existence of material uncertainties which cast significant doubt about Sagittarius Capital Corporation's ability to continue as a going concern.

UHY McGovern Hurley LLP



Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
April 18, 2018

Sagittarius Capital Corporation
Statements of Financial Position
(Expressed in Canadian dollars)

	Notes	As at December 31, 2017	As at December 31, 2016
<u>Assets</u>			
Current			
Cash	6	\$ 4,523	\$ 1,291
HST and other receivable		1,019	1,319
Total assets		\$ 5,542	\$ 2,610
<u>Liabilities</u>			
Current liabilities			
Accounts payable and accrued liabilities		\$ 61,975	\$ 34,131
<u>Shareholders' (Deficiency)</u>			
Share capital	5	620,194	620,194
Share-based payments reserve	5	93,240	93,240
Accumulated deficit		(769,867)	(744,955)
Total Shareholders' (Deficiency)		(56,433)	(31,521)
Total Liabilities and Shareholders' (Deficiency)		\$ 5,542	\$ 2,610

Nature of Operations and Going Concern (Note 1)
Subsequent Events (Note 10)

APPROVED ON BEHALF OF THE BOARD

"BRIAN PRESEMENT"
DIRECTOR

"CHRIS HAZELTON"
DIRECTOR

The accompanying notes are an integral part of these financial statements.

Sagittarius Capital Corporation
Statements of Operations and Comprehensive Loss
For the Years Ended December 31, 2017 and 2016
(Expressed in Canadian dollars)

	Notes	2017	2016
Expenses			
Professional fees	8	\$ 16,918	\$ 17,836
Filing fees		7,743	7,643
Office and general		251	379
Total expenses		24,912	25,858
Net loss and comprehensive loss		\$ (24,912)	\$ (25,858)
Weighted average number of shares outstanding			
– basic and diluted		3,690,000	3,690,000
Loss per share – basic and diluted		\$ (0.007)	\$ (0.007)

The accompanying notes are an integral part of these financial statements.

Sagittarius Capital Corporation
Statements of Cash Flows
For the Years ended December 31, 2017 and 2016
(Expressed in Canadian Dollars)

	2017	2016
Cash Flows from Operating Activities		
Net loss for the year	\$ (24,912)	\$ (25,858)
Changes in non-cash working capital items:		
HST and other receivable	300	(831)
Accounts payables and accrued liabilities	27,844	23,955
Cash flows from (used in) in operating activities	\$ 3,232	\$ (2,734)
Increase (decrease) in cash	3,232	(2,734)
Cash, beginning of year	1,291	4,025
Cash, end of year	\$ 4,523	\$ 1,291

The accompanying notes are an integral part of these financial statements.

Sagittarius Capital Corporation
Statements of Changes in Shareholders' (Deficiency) Equity
For the Years Ended December 31, 2017 and 2016
(Expressed in Canadian dollars)

	Number of Shares (#)	Amount	Share-based payments reserve	Accumulated deficit	Total
Balance, December 31, 2015	4,190,000	\$ 620,194	\$ 93,240	\$ (719,097)	\$ (5,663)
Net loss and comprehensive loss	-	-	-	(25,858)	(25,858)
Balance, December 31, 2016	4,190,000	\$ 620,194	\$ 93,240	\$ (744,955)	\$ (31,521)
Net loss and comprehensive loss	-	-	-	(24,912)	(24,912)
Balance, December 31, 2017	4,190,000	\$ 620,194	\$ 93,240	\$ (769,867)	\$ (56,433)

The accompanying notes are an integral part of these financial statements.

Sagittarius Capital Corporation
Notes to the Financial Statements
Years Ended December 31, 2017 and 2016
(Expressed in Canadian Dollars)

1. Nature of Operations and Going Concern

Sagittarius Capital Corporation (the “Company” or “Sagittarius”) was incorporated under the Business Corporations Act (Ontario) on April 20, 2007 and is classified as a Capital Pool Corporation as defined by TSX Venture Exchange Policy 2.4 (the “Exchange Policy”). The Company has nominal assets other than cash and proposes to identify and evaluate potential acquisitions or businesses.

The Company’s registered address and principal place of business is 77 King Street West, Suite 3000, Toronto, Ontario, M5K 1G8.

As at December 31, 2017, the Company had no business operations but subsequent to year-end, the Company entered into a letter of intent (“LOI”) with Israeli-based Irri-Al-Tal Ltd. (“Irri-Al-Tal”) (“Arrangement”). Pursuant to the Arrangement, Irri-Al-Tal will exchange all its issued and outstanding common shares for common shares of Sagittarius and become a wholly-owned subsidiary of the Company. If successful, the Arrangement will constitute the Qualifying Transaction of the Company pursuant to the policies of the TSXV.

These financial statements are prepared on the application of the going concern basis, presumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Since its inception, the Company had incurred operating losses, with a current net loss of \$24,912 for the year ended December 31, 2017 (2016 – \$25,858). As a result, the Company has an accumulated deficit of \$769,867 (December 31, 2016 – \$744,955) and a working capital deficiency of \$56,433 as at December 31, 2017 (December 31, 2016 – working capital deficiency of \$31,521). The Company has taken and continues to take steps to reduce these losses. However, losses are expected to continue for the 2018 fiscal year.

Due to continuing operating losses and limited working capital, the Company’s ability to continue as a going concern is dependent on its ability to obtain additional sources of financing. Failure to obtain such financing could result in delay or indefinite postponement of the Company’s strategic goals. These conditions indicate the existence of material uncertainties that cast significant doubt about the Company’s ability to continue as a going concern. The financial statements do not reflect adjustments to the carrying values and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern, and such adjustments may be material.

2. Basis of Presentation

Statement of Compliance

The Company’s financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The policies set out below were consistently applied to all periods presented unless otherwise noted.

These financial statements were reviewed, approved and authorized for issuance by the Board of Directors of the Company on April 18, 2018.

Basis of Measurement and Functional Currency

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, using the historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The financial statements have been presented in Canadian dollars (\$), the Company’s functional currency.

Sagittarius Capital Corporation
Notes to the Financial Statements
Years Ended December 31, 2017 and 2016
(Expressed in Canadian Dollars)

3. Significant Accounting Policies

Accounting Estimates and Judgments

The preparation of these financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of policies, reported amounts and other disclosures in these financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year. There have been no significant judgements made by management in the application of IFRS that have a significant effect on these financial statements, with exception to accounts payable and accrued liabilities, deferred taxes and the going concern assumption.

Income Taxes

The Company accounts for income taxes in accordance with the asset and liability method. Under this method, deferred income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective income tax bases, and losses carried forward.

Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in the statement of operations in the period that includes the date of enactment or substantive enactment.

Current income taxes are recognized for the estimated income taxes payable for the current year.

Deferred income tax assets are recognized to the extent that management believes that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Financial Instruments

All financial instruments are classified into one of the following categories: Fair value through profit or loss ("FVTPL"), held-to-maturity, loans and receivables, available-for-sale ("AFS") financial assets, or other financial liabilities. Loans and receivables, held-to-maturity investments, and other financial liabilities which are initially measured at fair value and then at amortized cost. FVTPL financial instruments are subsequently re-measured at fair value and all gains and losses are included in net income or loss in the period in which they arise. AFS financial instruments are subsequently measured at fair value with revaluation gains and losses included in other comprehensive income or loss until the instrument is derecognized or impaired. Cash is classified as loans and receivables. Accounts payable and accrued liabilities are classified as other financial liabilities.

Sagittarius Capital Corporation
Notes to the Financial Statements
Years Ended December 31, 2017 and 2016
(Expressed in Canadian Dollars)

3. Significant Accounting Policies (continued)

Financial Instruments (continued)

The determination of fair value requires judgment and is based on market information, where available and appropriate. The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at December 31, 2017 and 2016, the Company does not have any financial instruments carried at fair value and that require classification within the fair value hierarchy.

Loss per Share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Contingently issuable shares are not considered outstanding common shares and consequently not included in loss per share calculation. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares.

As at December 31, 2017 and 2016, the Company did not have any warrants or options outstanding.

Share Issuance Costs

Costs incurred in connection with the issuance of capital stock are netted against the proceeds received.

Cash and Cash Equivalents

Cash and cash equivalents include demand deposits with banks, money market accounts, and other investments with original maturities of 90 days or less. Balances of cash and cash equivalents in financial institutions may at times exceed the government-insured limits.

As at December 31, 2017 and 2016, the Company did not have any cash equivalents.

Recent Accounting Pronouncements

The IASB and the IFRS Interpretations Committee have issued certain pronouncements that are mandatory for accounting periods commencing on or after January 1, 2018. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company has not early adopted and is currently assessing the impact of adopting the following standards or amendments will have on the Company's financial statements.

Sagittarius Capital Corporation
Notes to the Financial Statements
Years Ended December 31, 2017 and 2016
(Expressed in Canadian Dollars)

3. Significant Accounting Policies (continued)

Recent Accounting Pronouncements (continued)

IFRS 9 – Financial Instruments (“IFRS 9”)

IFRS 9 was issued by the IASB in July 2014 and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

4. Capital Management

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund ongoing operations and finance the identification and evaluation of potential investments. To secure the additional capital necessary to pursue these investments, the Company may attempt to raise additional funds through the issuance of equity and warrants or by securing strategic partners.

The Company considers share capital, share option reserve, and accumulated deficit in the amount of \$56,433 as at December 31, 2017 (December 31, 2016 - \$31,521) to represent capital.

The Company's capital management objectives, policies and processes have remained unchanged during the years ended December 31, 2017 and 2016.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSXV which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of December 31, 2017, the Company is compliant with Policy 2.5. a lending institution or regulatory body.

5. Share Capital

Authorized Share Capital

The Company is authorized to issue an unlimited number of common shares without par value. Common shares issued and outstanding are as follows:

	December 31, 2017	December 31, 2016
Issued: 4,190,000 common shares		
(December 31, 2016 and 2015 – 4,190,000)	\$ 620,194	\$ 620,194

Sagittarius Capital Corporation
Notes to the Financial Statements
Years Ended December 31, 2017 and 2016
(Expressed in Canadian Dollars)

5. Share Capital (continued)

Stock Options

The Company awards stock options to officers and directors under an incentive stock plan (the “Plan”). Options are granted at the fair market value of the shares on the day granted, and vest over various terms. Stock-based compensation expense is recognized when options are vested. The Board of Directors of the Company may from time to time, in its discretion, grant to directors, officers, and technical consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed ten percent (10%) of the issued and outstanding Common Shares exercisable for a period of up to five years from the date of grant. As at December 31, 2017 and 2016, the Company had no stock options issued and outstanding.

6. Cash Restriction

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the Exchange Policy. As at December 31, 2017, the Company had exceeded this limit. The impact of this violation is not known and is ultimately dependent on the Exchange.

7. Financial Instruments and Risk Management

The Company is exposed to different types of risks in the normal course of operations, including credit risk and liquidity risk. There have been no significant changes in the risks, objectives, policies and procedures during the years ended December 31, 2017 and 2016.

Fair Value

The carrying amounts for cash, HST and other receivables, and accounts payable and accrued liabilities on the statements of financial position approximate fair value given that they are primarily short-term in nature.

Credit Risk

Credit risk is the risk of loss associated with counterparty’s inability to fulfill its payment obligations. The Company’s credit risk is primarily attributable to cash balances and other receivables. Cash is held with a reputable Canadian chartered bank and in trust by the Company’s legal counsel. The Company manages the credit exposure related to cash of \$4,523 as at December 31, 2017 (December 31, 2016 – \$1,291) by making sure that the Company maintains bank accounts with Schedule 1 banks in Canada. The carrying amount of cash represents the maximum credit exposure.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company controls liquidity risk by ensuring that it has sufficient cash resources to pay for its financial obligations. All of the Company’s accounts payable and accrued liabilities are due within one year.

Sagittarius Capital Corporation
Notes to the Financial Statements
Years Ended December 31, 2017 and 2016
(Expressed in Canadian Dollars)

8. Related Party Transactions

Transactions with related parties, if any, are incurred in the normal course of business and are measured at the exchange amount which is the amount of consideration established and approved by the related parties.

During the year ended December 31, 2017, the Company incurred accounting fees of \$10,900 (2016 – \$10,000) to Branson Corporate Services Inc. (“Branson”), a company in which a director has a non-controlling indirect interest. The Company also accrued legal fees and disbursements of \$1,683 (2016 – \$7,057) to Fogler, Rubinoff LLP (“Fogler”), a law firm in which a director of the Company is a Partner.

As of December 31, 2017, \$26,117 (December 31, 2016 – \$13,800) was owed to Branson, and \$9,587 (December 31, 2016 – \$7,872) was owed to Fogler. The Company also owed \$12,821 (December 31, 2016 – \$2,643) to a director, as well as \$7,229 (December 31, 2016 – \$166) to FMI Capital Advisory Inc., a company where the minor children of the director hold an indirect interest. These amounts are unsecured, non-interest bearing and due on demand.

There was no remuneration paid to directors and key management personnel during the years ended December 31, 2017 and 2016.

9. Income Tax Provision

Provision for Income Taxes

Major items causing the Company’s effective income tax rate to differ from the combined Canadian federal and provincial statutory rate of 26.5% (2016 - 26.5%) were as follows:

	2017	2016
(Loss) before income taxes	\$ (24,912)	\$ (25,858)
Expected income tax recovery based on statutory rate	(7,000)	(7,000)
Adjustment to expected income tax benefit:		
Change in benefit of tax assets not recognized	7,000	7,000
Deferred income tax provision (recovery)	-	-

Deferred Income Taxes

Deferred income tax assets have not been recognized in respect of the following deductible temporary

	2017	2016
<i>Unrecognized deferred tax assets</i>		
Non-capital loss carry-forwards	\$ 894,000	\$ 870,000

The tax losses expire from 2028 to 2037.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

Sagittarius Capital Corporation
Notes to the Financial Statements
Years Ended December 31, 2017 and 2016
(Expressed in Canadian Dollars)

10. Subsequent Events

Subsequent to December 31, 2017, the Company entered into a LOI with Irri-Al-Tal, whereby Irri-Al-Tal will exchange all its issued and outstanding common shares for common shares of Sagittarius and become a wholly-owned subsidiary of the Company.

Completion of the transaction is subject to completion of due diligence, receipt of all required regulatory, director and shareholder approvals, execution of definitive agreements and certain other conditions that are customary for transactions of this nature. Following completion of the transaction, it is anticipated that the Resulting Issuer will be a Tier 1 Industrial and Technology company.

SAGITTARIUS CAPITAL CORPORATION

(A capital pool corporation)

Financial Statements

December 31, 2016 and 2015

(Expressed in Canadian dollars)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Sagittarius Capital Corporation

We have audited the accompanying financial statements of Sagittarius Capital Corporation, which comprise the statement of financial position as at December 31, 2016, and the statement of operations and comprehensive loss, statement of cash flows and statement of changes in (deficiency) equity for the year ended December 31, 2016, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sagittarius Capital Corporation as at December 31, 2016, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other Matters

The financial statements of Sagittarius Capital Corporation for the year ended December 31, 2015, were audited by another auditor who expressed an unmodified opinion on those statements on April 27, 2016.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates that Sagittarius Capital Corporation had continuing losses during the year ended December 31, 2016 and a working capital deficiency and cumulative deficit as at December 31, 2016. These conditions along with other matters set forth in Note 1 indicate the existence of material uncertainties which cast significant doubt about Sagittarius Capital Corporation's ability to continue as a going concern.

UHY McGovern Hurley LLP

UHY McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
April 25, 2017

Sagittarius Capital Corporation

Statements of Financial Position
(Expressed in Canadian dollars)
As at December 31, 2016 and 2015

Assets	Notes	December 31, 2016	December 31, 2015
Current			
Cash	6	\$ 1,291	\$ 4,025
HST receivable		1,319	488
Total assets		\$ 2,610	\$ 4,513
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		\$ 34,131	\$ 10,176
Shareholders' (deficiency)			
Share capital	4	620,194	620,194
Share option reserve	4	93,240	93,240
Accumulated deficit		(744,955)	(719,097)
Total shareholders' (deficiency)		(31,521)	(5,663)
Total liabilities and shareholders' (deficiency)		\$ 2,610	\$ 4,513

Nature of Operations and Going Concern (note 1)

APPROVED ON BEHALF OF THE BOARD

"BRIAN PRESEMENT"
DIRECTOR

"CHRIS HAZELTON"
DIRECTOR

(The accompanying notes are an integral part of these financial statements.)

Sagittarius Capital Corporation**Statements of Operations and Comprehensive Loss**

For the years ended December 31, 2016 and 2015

(Expressed in Canadian dollars)

	Notes	2016	2015
Expenses			
Professional fees	8	\$ 17,836	\$ 9,839
Filing fees		7,643	6,231
Office and general		379	221
Total expenses		25,858	16,291
Interest income		-	(136)
Net loss and comprehensive loss		\$ (25,858)	\$ (16,155)
Loss per share		\$ (0.007)	\$ (0.004)
Weighted Average Number of Shares Outstanding			
Basic and diluted		3,690,000	3,690,000

(The accompanying notes are an integral part of these financial statements.)

Sagittarius Capital Corporation

Statements of Cash Flows

For the years ended December 31, 2016 and 2015

(Expressed in Canadian Dollars)

	2016	2015
Cash Flows from Operating Activities		
Net loss	\$ (25,858)	\$ (16,155)
Adjustments for:		
Changes in non-cash working capital items:		
HST receivable	(831)	6,663
Accounts payables and accrued liabilities	23,955	(29,961)
Net funds used in operating activities	(2,734)	(39,453)
Net decrease in cash and cash equivalents	(2,734)	(39,453)
Cash and cash equivalents – beginning of year	4,025	43,478
Cash and cash equivalents – end of year	\$ 1,291	\$ 4,025

(The accompanying notes are an integral part of these financial statements.)

Sagittarius Capital Corporation

Statements of Changes in (Deficiency) Equity
For the years ended December 31, 2016 and 2015
(Expressed in Canadian dollars)

	Share capital Number of shares	Share capital Amount	Share option reserves	Accumulated deficit	Total
	#	\$	\$	\$	\$
Balance at December 31, 2014	4,190,000	620,194	93,240	(702,942)	10,492
Net loss and comprehensive loss	-	-	-	(16,155)	(16,155)
Balance at December 31, 2015	4,190,000	620,194	93,240	(719,097)	(5,663)
Balance at December 31, 2015	4,190,000	620,194	93,240	(719,097)	(5,663)
Net loss and comprehensive loss	-	-	-	(25,858)	(25,858)
Balance at December 31, 2016	4,190,000	620,194	93,240	(744,955)	(31,521)

(The accompanying notes are an integral part of these financial statements.)

Sagittarius Capital Corporation

Notes to Financial Statements

December 31, 2016 and 2015

1. Nature of Operations and Going Concern

Sagittarius Capital Corporation (the “Company” or “Sagittarius”) (NEX Stock Symbol - SCXH) was incorporated under the Business Corporations Act (Ontario) on April 20, 2007 and is classified as a Capital Pool Corporation as defined by TSX Venture Exchange Policy 2.4. The Company has nominal assets other than cash and proposes to identify and evaluate potential acquisitions or businesses with a view to completing a Qualifying Transaction, as defined in Exchange Policy 2.4.

The Company’s registered address and principal place of business is 77 King Street West, Suite 3000, Toronto, Ontario, M5K 1G8.

There is no assurance that the Company will identify a Qualifying Transaction under the policies of the NEX. If a qualifying transaction is not completed, the Company will need to identify other sources of financing to remain a going-concern entity.

These financial statements are prepared on the assumption that the Company is a going concern, which contemplates the realization of assets and the settlement of liabilities in the normal course of operations. Since inception, the Company has incurred losses including operating losses for the year ended December 31, 2016 and year ended December 31, 2015 of \$25,858 and \$16,155 respectively. As a result, the Company has an accumulated deficit of \$744,955 (December 31, 2015 - \$719,097) and working capital deficiency of \$31,521 at December 31, 2016 (December 31, 2015 - \$5,663). The Company has taken and continues to take steps to reduce these losses. However, losses are expected to continue for the 2017 fiscal year. As a result, there is material uncertainty that casts significant doubt surrounding the Company’s ability to continue as a going concern. In order to rectify these problems, the Company will require additional financing. Failure to obtain such financing could result in delay or indefinite postponement of the Company’s strategic goals. These financial statements do not include any adjustments relative to the carrying values and classifications of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. Basis of Presentation

Statement of Compliance

The Company’s financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations of the IFRS Interpretations Committee.

These financial statements were authorized for issuance by the Board of Directors of the Company on April 25, 2017.

Basis of Measurement and Functional Currency

The financial statements are prepared on the historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The accompanying financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The financial statements are presented in Canadian dollars, the Company’s functional currency.

3. Summary of Significant Accounting Policies

Accounting Estimates and Judgments

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

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

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year. There have been no significant judgements made by management in the application of IFRS that have a significant effect on these financial statements, with exception to accounts payable and accrued liabilities, deferred taxes and the going concern assumption.

Income Taxes

The Company accounts for income taxes in accordance with the asset and liability method. Under this method, deferred income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective income tax bases, and losses carried forward.

Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in the statement of operations in the period that includes the date of enactment or substantive enactment.

Current income taxes are recognized for the estimated income taxes payable for the current year.

Deferred income tax assets are recognized to the extent that management believes that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Sagittarius Capital Corporation

Notes to Financial Statements

December 31, 2016 and 2015

3. Significant Accounting Policies - Continued

Financial Instruments

All financial instruments are classified into one of the following categories: fair value through profit or loss ("FVTPL"), held-to-maturity, loans and receivables, available-for-sale financial assets, or other financial liabilities. Loans and receivables, held-to-maturity investments, and other financial liabilities which are initially measured at fair value and then at amortized cost. FVTPL financial instruments are subsequently re-measured at fair value and all gains and losses are included in net income or loss in the period in which they arise. Available-for-sale financial instruments are subsequently measured at fair value with revaluation gains and losses included in other comprehensive income or loss until the instrument is derecognized or impaired. Cash is classified as loans and receivables. Accounts payable and accrued liabilities are classified as other financial liabilities.

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at December 31, 2016 and 2015, the Company does not have any financial instruments carried at fair value and that require classification within the fair value hierarchy.

Loss per Share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Contingently issuable shares are not considered outstanding common shares and consequently not included in loss per share calculation. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares. As at December 31, 2016 and 2015, the Company did not have any warrants or options outstanding.

Share Issuance Costs

Costs incurred in connection with the issuance of capital stock are netted against the proceeds received.

Sagittarius Capital Corporation

Notes to Financial Statements

December 31, 2016 and 2015

3. Significant Accounting Policies – Continued

Cash and Cash Equivalents

Cash and cash equivalents include demand deposits with banks, money market accounts, and other investments with original maturities of 90 days or less. Balances of cash and cash equivalents in financial institutions may at times exceed the government-insured limits. As at December 31, 2016 and 2015, the Company did not have any cash equivalents.

Accounting Standards Issued But Not Yet Applied

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2017. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following has not yet been adopted and is being evaluated to determine its impact on the Company.

IFRS 9 Financial Instruments was issued in final form in July 2014 by the IASB and will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 also includes requirements relating to a new hedge accounting model, which represents a substantial overhaul of hedge accounting which will allow entities to better reflect their risk management activities in the financial statements. The most significant improvements apply to those that hedge non-financial risk, and so these improvements are expected to be of particular interest to non-financial institutions. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted.

4. Capital Stock

Authorized: Unlimited number of common shares without par value

Issued and outstanding:

	<u>No. of Shares</u>	<u>Amount</u>
December 31, 2016, 2015 and 2014	<u>4,190,000</u>	<u>\$ 620,194</u>

- (i) The Company had issued 1,000,000 seed common shares, of which 500,000 were cancelled (see (ii) below).

The seed common shares are considered contingently issuable until the Company completes a Qualifying Transaction and they are not considered to be outstanding shares for purposes of loss per share calculation.

Sagittarius Capital Corporation

Notes to Financial Statements

December 31, 2016 and 2015

4. Capital Stock - Continued

- (ii) At an Annual and Special Meeting of Shareholders held on May 28, 2010, a resolution was ratified cancelling 50% or 500,000 seed common shares for failing to complete a Qualifying Transaction within the prescribed period of time under TSX Venture Exchange policies. These common shares were initially issued at \$0.10 per share with total face value of \$50,000.

a) Stock Options

The Company awards stock options to officers and directors under an incentive stock plan (the "Plan"). Options are granted at the fair market value of the shares on the day granted, and vest over various terms. Compensation expense is recognized when options are vested. The board of directors of the Company may from time to time, in its discretion, grant to directors, officers, and technical consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed ten percent (10%) of the issued and outstanding Common Shares exercisable for a period of up to five years from the date of grant.

As at December 31, 2016 and 2015, the Company had no stock options issued and outstanding.

5. Capital Management

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund ongoing operations and finance the identification and evaluation of potential investments. To secure the additional capital necessary to pursue these investments, the Company may attempt to raise additional funds through the issuance of equity and warrants or by securing strategic partners.

The Company considers share capital, share option reserve, and accumulated deficit in the amount of \$(31,521) (December 31, 2015 - \$(5,663)) to represent capital.

The Company's capital management objectives, policies and processes have remained unchanged during the years ended December 31, 2016 and 2015.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body.

6. Cash Restriction

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until Completion of a Qualifying Transaction by the Company as defined under the policies of the Exchange. As of December 31, 2016, the Company had exceeded this limit. The impact of this violation is not known and is ultimately dependent on the Exchange.

Sagittarius Capital Corporation

Notes to Financial Statements

December 31, 2016 and 2015

7. Financial Instruments and Financial Risk Management

The Company is exposed to different types of risks in the normal course of operations, including credit risk and liquidity risk. There have been no significant changes in the risks, objectives, policies and procedures during the years ended December 31, 2016 and 2015.

a) Fair Value

The carrying values of cash, and accounts payable and accrued liabilities approximate fair values due to the relatively short term maturities of these instruments.

b) Credit Risk

The Company manages the credit exposure related to cash of \$1,291 as at December 31, 2016 by making sure that the Company maintains bank accounts with Schedule 1 banks in Canada. The carrying amount of cash represents the maximum credit exposure.

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company controls liquidity risk by ensuring that it has sufficient cash resources to pay for its financial obligations. All of the Company's accounts payable and accrued liabilities are due within one year.

8. Related-Party Transactions

Transactions with related parties, if any, are incurred in the normal course of business and are measured at the exchange amount which is the amount of consideration established and approved by the related parties.

During the year ended December 31, 2016, the Company incurred accounting fees of \$10,000 (2015 - \$10,500) to Branson Corporate Services Inc. ("Branson"), a Company in which a director has a non-controlling indirect interest. The Company also accrued legal fees and disbursements of \$7,057 (2015 - recovery of \$5,075) to Fogler, Rubinoff LLP, a law firm in which a director of the Company is a Partner. As of December 31, 2016, \$13,800 (2015 - \$2,500) is owing to Branson, \$2,643 (2015 - \$nil) is owing to a director and \$7,872 (2015 - \$815) is owing to Fogler, Rubinoff LLP. These amounts are unsecured, non-interest bearing and due on demand.

There was no remuneration paid to directors and key management personnel during the years ended December 31, 2016 and December 31, 2015.

Sagittarius Capital Corporation

Notes to Financial Statements

December 31, 2016 and 2015

9. Income Tax**(i) Provision for Income Taxes**

Major items causing the Company's effective income tax rate to differ from the combined Canadian federal and provincial statutory rate of 26.5% (2015 - 26.5%) were as follows:

	2016	2015
	\$	\$
(Loss) before income taxes	(25,858)	(16,155)
Expected income tax recovery based on statutory rate	(7,000)	(5,000)
Adjustment to expected income tax benefit:		
Change in Benefit of tax assets not recognized	7,000	5,000
Deferred income tax provision (recovery)	-	-

(ii) Deferred Income Taxes

The unrecognized deductible temporary differences and unused tax losses for which no deferred tax assets have been recognized are attributable to the following:

	2016	2015
	\$	\$
<u>Unrecognized Deferred Tax Assets</u>		
Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:		
Non-capital loss carry-forwards	870,000	844,000

The tax losses expire from 2028 to 2036.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

SCHEDULE "H"
UNAUDITED FINANCIAL INFORMATION OF THE COMPANY
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2018

SAGITTARIUS CAPITAL CORPORATION

(A capital pool corporation)

Unaudited Condensed Interim Financial Statements

For the Three and Six Months ended June 30, 2018 and 2017

(Expressed in Canadian dollars)

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Sagittarius Capital Corporation
Unaudited Condensed Interim Statements of Financial Position
(Expressed in Canadian dollars)

	Notes	As at June 30, 2018	As at December 31, 2017
<u>Assets</u>			
Current			
Cash	6	\$ 5,884	\$ 4,523
HST and other receivable		31,851	1,019
Total Assets		\$ 37,735	\$ 5,542
<u>Liabilities</u>			
Current liabilities			
Accounts payable and accrued liabilities		\$ 101,147	\$ 54,746
Due to related party	8	14,582	7,229
Total Liabilities		115,729	61,975
<u>Shareholders' Deficiency</u>			
Share capital	5	620,194	620,194
Share-based payments reserve	5	93,240	93,240
Accumulated deficit		(791,428)	(769,867)
Total Shareholders' Deficiency		(77,994)	(56,433)
Total Liabilities and Shareholders' Deficiency		\$ 37,735	\$ 5,542

Nature of Operations and Going Concern (Note 1)
Subsequent Events (Note 10)

APPROVED ON BEHALF OF THE BOARD

“BRIAN PRESEMENT”
DIRECTOR

“CHRIS HAZELTON”
DIRECTOR

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

Sagittarius Capital Corporation
Unaudited Condensed Interim Statements of Operations and Comprehensive Loss
For the three and six months ended June 30, 2018 and 2017
(Expressed in Canadian dollars)

	Note	Three months ended June 30, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017
Expenses					
Professional fees	8	\$ 6,295	\$ 2,913	\$ 16,173	\$ 6,317
Filing fees		3,993	3,893	5,243	5,243
Office and general		61	84	145	141
Total Expenses		(10,349)	(6,990)	(21,561)	(11,701)
Net Loss and Comprehensive Loss		\$ (10,349)	\$ (6,990)	\$ (21,561)	\$ (11,701)
Weighted average number of shares outstanding					
– basic and diluted		3,690,000	3,690,000	3,690,000	3,690,000
Loss per Share					
– basic and diluted		\$ (0.003)	\$ (0.002)	\$ (0.006)	\$ (0.003)

The accompanying notes are part an integral of these unaudited condensed interim financial statements.

Sagittarius Capital Corporation
Unaudited Condensed Interim Statements of Cash Flows
For the three and six months ended June 30, 2018 and 2017
(Expressed in Canadian Dollars)

	Three months ended June 30, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017
Cash Flows from Operating Activities				
Net loss for the period	\$ (10,349)	\$ (6,990)	\$ (21,561)	\$ (11,701)
Changes in non-cash working capital items:				
HST and other receivable	(30,508)	(520)	(30,832)	(1,561)
Accounts payables and accrued liabilities	34,786	7,426	46,401	13,121
Due to related party (Note 8)	7,353	-	7,353	-
Cash flows from (used in) in operating activities	\$ 1,282	\$ (84)	\$ 1,361	\$ (141)
Increase (decrease) in cash	1,282	(84)	1,361	(141)
Cash, beginning of period	4,602	1,234	4,523	1,291
Cash, end of period	\$ 5,884	\$ 1,150	\$ 5,884	\$ 1,150

The accompanying notes are part an integral of these unaudited condensed interim financial statements.

Sagittarius Capital Corporation
Unaudited Condensed Interim Statements of Changes in Shareholders' Deficiency
For the six months ended June 30, 2018 and 2017
(Expressed in Canadian dollars)

	Number of Shares (#)	Share capital	Share-based payments reserve	Accumulated deficit	Total
Balance, December 31, 2016	4,190,000	\$ 620,194	\$ 93,240	\$ (744,955)	\$ (31,521)
Net loss and comprehensive loss	-	-	-	(11,701)	(11,701)
Balance, June 30, 2017	4,190,000	620,194	93,240	(756,656)	(43,222)
Balance, December 31, 2017	4,190,000	\$ 620,194	\$ 93,240	\$ (769,867)	\$ (56,433)
Net loss and comprehensive loss	-	-	-	(21,561)	(21,561)
Balance, June 30, 2018	4,190,000	\$ 620,194	\$ 93,240	\$ (791,428)	\$ (77,994)

The accompanying notes are part an integral of these unaudited condensed interim financial statements.

Sagittarius Capital Corporation
Notes to the Unaudited Condensed Interim Financial Statements
June 30, 2018 and 2017
(Expressed in Canadian Dollars)

1. Nature of Operations and Going Concern

Sagittarius Capital Corporation (“Sagittarius” or the “Company”) was incorporated under the Business Corporations Act (Ontario) on April 20, 2007 and is classified as a Capital Pool Corporation as defined by TSX Venture (“TSX-V”) Exchange Policy 2.4 (the “Exchange Policy”). The Company has nominal assets and proposes to identify and evaluate potential acquisitions or businesses.

The Company’s registered address and principal place of business is 77 King Street West, Suite 3000, Toronto, Ontario, M5K 1G8.

As at June 30, 2018, the Company had no business operations but had entered into a letter of intent (“LOI”) with Israeli-based Irri-Al-Tal Ltd. (“Irri-Al-Tal”) (the “Arrangement”) (see Note 9 for details). Pursuant to the Arrangement, Irri-Al-Tal will exchange all its issued and outstanding common shares for common shares of Sagittarius and become a wholly-owned subsidiary of the Company. If successful, the Arrangement will constitute the Qualifying Transaction (the “QT”) of the Company pursuant to the policies of the TSX-V.

These unaudited condensed interim financial statements are prepared on the application of the going concern basis, presumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Since its inception, the Company had incurred operating losses, with a current net loss of \$21,561 for the six months ended June 30, 2018 (2017 – \$11,701). As a result, the Company has an accumulated deficit of \$791,428 (December 31, 2017 – \$769,867) and a working capital deficiency of \$77,994 as at June 30, 2018 (December 31, 2017 – working capital deficiency of \$56,433). The Company has taken and continues to take steps to reduce these losses. However, losses are expected to continue for the 2018 fiscal year.

Due to continuing operating losses and limited working capital, the Company’s ability to continue as a going concern is dependent on its ability to obtain additional sources of financing. Failure to obtain such financing could result in delay or indefinite postponement of the Company’s strategic goals. These conditions indicate the existence of material uncertainties that cast significant doubt about the Company’s ability to continue as a going concern. The unaudited condensed interim financial statements do not reflect adjustments to the carrying values and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern, and such adjustments may be material.

2. Basis of Presentation

Statement of Compliance

These unaudited condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards (“IAS”) 34 ‘Interim Financial Reporting’ (“IAS 34”) using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”).

These unaudited condensed interim financial statements were reviewed, approved and authorized for issuance by the Board of Directors of the Company on August 24, 2018.

Basis of Measurement

These unaudited condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, using the historical cost basis. In addition, these unaudited condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Sagittarius Capital Corporation
Notes to the Unaudited Condensed Interim Financial Statements
June 30, 2018 and 2017
(Expressed in Canadian Dollars)

2. Basis of Presentation (continue)

Functional Currency

The unaudited condensed interim financial statements have been presented in Canadian dollars (\$), the Company's functional currency.

3. Significant Accounting Policies

Accounting Estimates and Judgments

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year. There have been no significant judgments made by management in the application of IFRS that have a significant effect on these unaudited condensed interim financial statements, with exception to accounts payable and accrued liabilities, deferred taxes and the going concern assumption.

Income Taxes

The Company accounts for income taxes in accordance with the asset and liability method. Under this method, deferred income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective income tax bases, and losses carried forward.

Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in the statement of operations in the period that includes the date of enactment or substantive enactment.

Current income taxes are recognized for the estimated income taxes payable for the current year.

Deferred income tax assets are recognized to the extent that management believes that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Sagittarius Capital Corporation
Notes to the Unaudited Condensed Interim Financial Statements
June 30, 2018 and 2017
(Expressed in Canadian Dollars)

3. Significant Accounting Policies (continued)

Financial Instruments

Financial assets

Financial assets within the scope of IFRS 9 ‘Financial Instruments’ (“IFRS 9”) are classified as financial assets at fair value through profit or loss (“FVTPL”), financial assets at fair value through other comprehensive income (loss) (“FVTOCI”) and financial assets at amortized costs, as appropriate.

Classification and measurement

The Company determines the classification of its financial assets at initial recognition. All financial assets are recognized initially at fair value plus directly attributable transaction costs.

The Company’s financial assets, including cash and receivables excluding any sales tax amounts, are measured at amortized cost.

Recognition and measurement

Subsequent to initial recognition, all financial assets are measured at amortized cost, at FVTOCI or at FVTPL. At each reporting date, impairment requirements are applied to financial assets measured at amortized cost and at FVTOCI.

Determination of fair value

The determination of fair value requires judgment and is based on market information, where available and appropriate. The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at June 30, 2018 and December 31, 2017, the Company does not have any financial instruments carried at fair value and that require classification within the fair value hierarchy.

Financial liabilities

All financial liabilities within the scope of IFRS 9 are measured at amortized cost, except for financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, contingent consideration recognized by an acquirer in a business combination to which IFRS 3 – Business Combinations applies. Such contingent consideration shall subsequently be measured at fair value with changes recognized in profit or loss.

Sagittarius Capital Corporation
Notes to the Unaudited Condensed Interim Financial Statements
June 30, 2018 and 2017
(Expressed in Canadian Dollars)

3. Significant Accounting Policies (continued)

Financial Instruments (continued)

Financial liabilities (continued)

The Company's financial liabilities consist of accounts payable and accrued liabilities, and are measured at amortized cost.

Loss per Share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Contingently issuable shares are not considered outstanding common shares and consequently not included in loss per share calculation. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares.

As at June 30, 2018 and December 31, 2017, the Company did not have any warrants or options outstanding.

Share Issuance Costs

Costs incurred in connection with the issuance of capital stock are netted against the proceeds received.

Cash and Cash Equivalents

Cash and cash equivalents include demand deposits with banks, money market accounts, and other investments with original maturities of 90 days or less. Balances of cash and cash equivalents in financial institutions may at times exceed the government-insured limits.

As at June 30, 2018 and December 31, 2017, the Company did not have any cash equivalents.

Adoption of New Accounting Policies

The Company had adopted the following new standard, effective January 1, 2018. The change was made in accordance with the applicable transitional provisions. There was no material impact on the Company's unaudited condensed interim financial statements.

- IFRS 9 was issued by the IASB in July 2014 and replaces IAS 39 'Financial Instruments: Recognition and Measurement' ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39.

Sagittarius Capital Corporation
Notes to the Unaudited Condensed Interim Financial Statements
June 30, 2018 and 2017
(Expressed in Canadian Dollars)

4. Capital Management

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund ongoing operations and finance the identification and evaluation of potential investments. To secure the additional capital necessary to pursue these investments, the Company may attempt to raise additional funds through the issuance of equity and warrants or by securing strategic partners.

The Company considers share capital, share option reserve, and accumulated deficit in the amount of \$77,994 as at June 30, 2018 (December 31, 2017 – \$56,433) to represent capital.

The Company's capital management objectives, policies and processes have remained unchanged during the six months ended June 30, 2018 and during the year ended December 31, 2017.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSXV which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

5. Share Capital

Authorized Share Capital

The Company is authorized to issue an unlimited number of common shares without par value. Common shares issued and outstanding are as follows:

	June 30, 2018	December 31, 2017
Issued: 4,190,000 common shares (December 31, 2017)	\$ 620,194	\$ 620,194

Stock Options

The Company awards stock options to officers and directors under an incentive stock plan (the "Plan"). Options are granted at the fair market value of the shares on the day granted, and vest over various terms. Stock-based compensation expense is recognized when options are vested. The Board of Directors of the Company may from time to time, in its discretion, grant to directors, officers, and technical consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed ten percent (10%) of the issued and outstanding Common Shares exercisable for a period of up to five years from the date of grant.

As at June 30, 2018 and December 31, 2017, the Company had no stock options issued and outstanding.

Sagittarius Capital Corporation
Notes to the Unaudited Condensed Interim Financial Statements
June 30, 2018 and 2017
(Expressed in Canadian Dollars)

6. Cash Restriction

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the Exchange Policy. As at June 30, 2018, the Company had exceeded this limit. The impact of this violation is not known and is ultimately dependent on the Exchange.

7. Financial Instruments and Risk Management

The Company is exposed to different types of risks in the normal course of operations, including credit risk and liquidity risk. There have been no significant changes in the risks, objectives, policies and procedures during the six months ended June 30, 2018 and the year ended December 31, 2017.

Fair Value

The carrying amounts for cash, HST and other receivables, and accounts payable and accrued liabilities on the unaudited condensed interim statements of financial position approximate fair value given that they are primarily short-term in nature.

Credit Risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash balances and other receivables. Cash is held with a reputable Canadian chartered bank and in trust by the Company's legal counsel. The Company manages the credit exposure related to cash of \$5,884 as at June 30, 2018 (December 31, 2017 – \$4,523) by making sure that the Company maintains bank accounts with Schedule 1 banks in Canada. The carrying amount of cash represents the maximum credit exposure.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company controls liquidity risk by ensuring that it has sufficient cash resources to pay for its financial obligations. All of the Company's accounts payable and accrued liabilities are due within one year.

8. Related Party Transactions

Transactions with related parties, if any, are incurred in the normal course of business and are measured at the exchange amount which is the amount of consideration established and approved by the related parties.

During the six months ended June 30, 2018, the Company incurred accounting fees of \$5,000 (2017 – \$5,000) to Branson Corporate Services Inc. ("Branson"), a company in which a director has a non-controlling indirect interest. The Company also recovered legal fees and disbursements of \$3,827 (2017 – fees and disbursement of \$1,062) to Fogler, Rubinoff LLP ("Fogler"), a law firm in which a director of the Company is a Partner.

Sagittarius Capital Corporation
Notes to the Unaudited Condensed Interim Financial Statements
June 30, 2018 and 2017
(Expressed in Canadian Dollars)

8. Related Party Transactions (continued)

As of June 30, 2018, an amount of \$31,767 (December 31, 2017 – \$26,117) owed to Branson, and an amount of \$37,123 (December 31, 2017 – \$9,587) owed to Fogler, were included in accounts payable and accrued liabilities. As at June 30, 2018, the Company also owed \$12,821 (December 31, 2017 – \$12,821) to a director, as well as \$14,582 (December 31, 2017 – \$7,229) to FMI Capital Advisory Inc., a company where the minor children of the director hold an indirect interest. These amounts are unsecured, non-interest bearing and due on demand.

There was no remuneration paid to directors and key management personnel during the six months ended June 30, 2018 and 2017.

9. Proposed Transaction

On June 21, 2018, the Company and Irri-Al-Tal entered into an amended and restated LOI, superseding the terms of the LOI entered on December 28, 2017, as amended on April 24, 2018, whereby the Arrangement is intended to be the QT of the Company. The terms of the QT are as follows:

- 1) Sagittarius and Irri-Al-Tal are expected to enter into a share exchange agreement (the “Securities Exchange Agreement”) whereby Irri-Al-Tal will exchange all its issued and outstanding common shares for common shares of Sagittarius and become a wholly-owned subsidiary of Sagittarius.
- 2) Pursuant to the Securities Exchange Agreement, holders of Irri-Al-Tal common shares are expected to be entitled to receive two (2) Consolidated Sagittarius Share for every one (1) Irri-Al-Tal Share (“Share Exchange”). The Board of Directors of the Resulting Issuer is expected to be comprised of up to five (5) directors, of which three individuals will be the nominees of Irri-Al-Tal, and two individuals will be nominees of Sagittarius.
- 3) Sagittarius will be required to seek shareholder approval for: (i) a share consolidation of the common shares in the Company (“Sagittarius Shares”) on a 1.4964 old shares for one (1) new share Consolidated Sagittarius Share; and (ii) a name change to “Water Ways Technologies Inc.” or as otherwise approved by the directors of the Company.
- 4) Prior to the Share Exchange, Irri-Al-Tal intends to complete a private equity financing (the “Private Placement”) concurrently with listing of up to an amount of \$2,000,000 comprised of units at a price of \$0.50 per unit. Each unit will be comprised of one (1) Irri-Al-Tal share and one half (1/2) of one Irri-Al-Tal share purchase warrant, with each whole warrant being exercisable into one Irri-Al-Tal share at an exercise price of no less than \$0.70 for a period of 24 months from the closing date of the Private Placement.

Completion of the QT is subject to completion of due diligence, receipt of all requisite consents, acceptances and regulatory approvals, and all director and shareholder approvals, execution of definitive agreements and certain other conditions that are customary for transactions of this nature. Following completion of the Arrangement, it is anticipated that the Resulting Issuer will be eligible to become a Tier 2 issuer on the TSX-V.

There can be no assurance that the Arrangement will be completed as anticipated or at all.

On August 21, 2018, the Company and Irri-Al-Tal entered into the Securities Exchange Agreement to effect the Share Exchange on closing on the QT.

Sagittarius Capital Corporation
Notes to the Unaudited Condensed Interim Financial Statements
June 30, 2018 and 2017
(Expressed in Canadian Dollars)

10. Subsequent Events

The Company also intends to complete an offering of securities (“Concurrent Financing”) to be completed concurrently with the closing of the QT. It is intended the Concurrent Financing will be conducted as a public offering of units via a prospectus. The Company will issue up to 16,000,000 units at a price of \$0.25 per unit for maximum gross proceeds of \$4,000,000 (“Maximum Offering”) and a minimum of 8,000,000 units for the minimum gross proceeds of \$2,000,000 (“Minimum Offering”). Each unit will be comprised of one (1) Sagittarius share and one-half (1/2) of a Sagittarius share purchase warrant (“QT Warrant”). Each QT Warrant will allow the holder to purchase one common share at a price of \$0.40 for a period of 24 months from the date of issuance.

On August 23, 2018, the Company filed its preliminary prospectus in regard to the proposed QT.

SCHEDULE "I"
MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS OF THE COMPANY
FOR THE YEAR ENDED DECEMBER 31, 2017

SAGITTARIUS CAPITAL CORPORATION
(A Capital Pool Corporation)

**MANAGEMENT’S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

April 18, 2018

The following Management’s Discussion and Analysis (“MD&A”) of the operating results and financial position is effective April 18, 2018. The MD&A is supplementary to, and should be read in conjunction with, the audited financial statements for the years ended December 31, 2017 and 2016 of Sagittarius Capital Corporation (“Sagittarius” or the “Company”). The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) in Canada. All monetary amounts are expressed in Canadian dollars.

FORWARD-LOOKING INFORMATION

The discussion and analysis and other sections of this report contain forward-looking statements. These forward-looking statements, by their nature, necessarily involve risks and uncertainties that could cause results to differ materially from those contemplated by these forward-looking statements. Management considers the assumptions on which these forward-looking statements are based to be reasonable at the time the statements were prepared, but cautions the reader that actual results could differ materially from those anticipated.

General Overview

Sagittarius was incorporated under the *Business Corporations Act* (Ontario) on April 20, 2007 and is classified as a Capital Pool Corporation as defined by TSX Venture Exchange Policy 2.4 (the “Exchange Policy”). The Company has nominal assets other than cash and proposes to identify and evaluate potential acquisitions or businesses.

In the opinion of management, all adjustments consisting of normal recurring adjustments considered necessary for a fair presentation of the Company’s financial position, results of operations, and cash flows, have been included. The Company has not commenced active business operations and, therefore, no segmented information is available.

Recent Developments

On January 16, 2018, the Company announced that it has entered into a letter of intent (“LOI”) with Israeli-based Irri-Al-Tal Ltd. (“Irri-Al-Tal”) (“Arrangement”). Pursuant to the Arrangement, Irri-Al-Tal will exchange all its issued and outstanding common shares for common shares of Sagittarius and become a wholly-owned subsidiary of the Company. If successful, the Arrangement will constitute the Qualifying Transaction of the Company pursuant to the policies of the TSXV.

Completion of the transaction is subject to completion of due diligence, receipt of all required regulatory, director and shareholder approvals, execution of definitive agreements and certain other conditions that are customary for transactions of this nature. Following completion of the transaction, it is anticipated that the Resulting Issuer will be a Tier 1 Industrial and Technology company.

Selected Audited Information

Summarized selected financial information with respect to Sagittarius for the years ended December 31, 2017, 2016 and 2015 are as follows:

For the years ended December 31,	2017	2016	2015
	\$	\$	\$
Total expenses	24,912	25,858	16,291
Interest income	-	-	(136)
Net loss	(24,912)	(25,858)	(16,155)
Loss per share	(0.007)	(0.007)	(0.004)
Total assets	5,542	2,610	4,513
Total liabilities	61,975	34,131	10,176
Shareholders' deficiency	(56,433)	(31,521)	(5,663)

Results of Operations

Three months ended December 31, 2017 and 2016

The Company recorded a loss of \$8,132 during the three months ended December 31, 2017 compared to a loss of \$5,692 during the comparative period in the prior year.

During the three months ended December 31, 2017, the Company incurred professional fees of \$6,824 representing legal and accounting fees associated with its operations compared to \$4,385 during the comparative period. Filing fees and office and general expenses were \$1,250 (2016 – \$1,250) and \$58 (2016 – \$57), respectively, for the current quarter.

Net loss per share during for the three months ended December 31, 2017 was \$0.002, which was unchanged from the comparative period.

Year ended December 31, 2017 compared to 2016

The Company recorded a net loss of \$24,912 during the year ended December 31, 2017 compared to a net loss of \$25,858 in the prior year.

During the year ended December 31, 2017, the Company incurred professional fees of \$16,918 representing legal and accounting fees associated with its operations compared to \$17,836 incurred in the prior year. Filing fees and office and general expenses were \$7,743 (2016 – \$7,643) and \$251 (2016 – \$379), respectively, for the current year. Due to inactive operations, the expenses incurred in the normal course of operations had not significantly changed from the prior year.

Net loss per share for the year ended December 31, 2017 was \$0.007, which was unchanged from the prior year.

Summary of Quarterly Results

The following table presents selected financial data of Sagittarius for its last eight quarters as reported in the particular period:

Period	Net profit (loss)	Profit (loss) per share
2017 Q4	(8,133)	(0.003)
2017 Q3	(5,078)	(0.001)
2017 Q2	(6,990)	(0.002)
2017 Q1	(4,711)	(0.001)
2016 4Q	(5,693)	(0.002)
2016 3Q	(3,956)	(0.001)
2016 2Q	(7,329)	(0.002)
2016 1Q	(8,880)	(0.002)

Liquidity

As at December 31, 2017, the Company had cash of \$4,523 (December 31, 2016 – \$1,291), and HST and other receivables of \$1,019 (December 31, 2016 – \$1,319). The increase in cash is primarily due to HST refunds claimed on the Company’s normal business expenditures incurred as a result of maintaining public company status. The HST refunds represent the single source of cash flows for the Company in 2017.

Total liabilities were \$61,975 as at December 31, 2017, compared to \$34,131 as at December 31, 2016. The increase is primarily attributable to the accrual of professional fees incurred during the current year.

Shareholders’ deficiency totaled \$56,433 as at December 31, 2017 (December 31, 2016 – \$31,521), for an increase of \$24,912, as a result of the net loss incurred during the year ended December 31, 2017.

The Company is looking at other sources of financing to remain as a going concern entity.

Capital Resources

The Company financed its operations during the year ended December 31, 2017 mainly through the remaining cash proceeds from its initial public offering, and from HST refunds claimed on its normal business expenses.

Cash from the initial public offering has been primarily used to pursue a proposed qualifying transaction.

Off-Balance-Sheet Arrangements

As of December 31, 2017, Sagittarius had no off-balance-sheet arrangements.

Related Party Transactions

Transactions with related parties, if any, are incurred in the normal course of business and are measured at the exchange amount which is the amount of consideration established and approved by the related parties.

During the year ended December 31, 2017, the Company incurred accounting fees of \$10,900 (2016 – \$10,000) to Branson Corporate Services Inc. (“Branson”), a company in which a director has a non-controlling indirect interest. The Company also accrued legal fees and disbursements of \$1,683 (2016 – \$7,057) to Fogler, Rubinoff LLP (“Fogler”), a law firm in which a director of the Company is a Partner.

As of December 31, 2017, \$26,117 (December 31, 2016 – \$13,800) was owed to Branson, and \$9,587 (December 31, 2016 – \$7,872) was owed to Fogler. The Company also owed \$12,821 (December 31, 2016 – \$2,643) to a director, as well as \$7,229 (December 31, 2016 – \$166) to FMI Capital Advisory Inc., a company where the minor children of the director hold an indirect interest. These amounts are unsecured, non-interest bearing and due on demand.

There was no remuneration paid to directors and key management personnel during the years ended December 31, 2017 and 2016.

Share Capital

As at December 31, 2017, the Company had authorized unlimited common shares without par value and had issued 4,190,000 common shares (December 31, 2016 – 4,190,000 common shares).

In 2010, the Company cancelled 500,000 Seed Common Shares held by current and former directors of the Company as a result of not consummating a QT within the prescribed period of time allowed under the Exchange Policy. Additionally, as of December 31, 2017, there are no options issued and outstanding.

As of the date of this MD&A, the number of common shares had not changed.

Financial Instruments

All financial instruments are classified into one of the following categories: Fair value through profit or loss (“FVTPL”), held-to-maturity, loans and receivables, available-for-sale (“AFS”) financial assets, or other financial liabilities. Loans and receivables, held-to-maturity investments, and other financial liabilities which are initially measured at fair value and then at amortized cost. FVTPL financial instruments are subsequently re-measured at fair value and all gains and losses are included in net income or loss in the period in which they arise. AFS financial instruments are subsequently measured at fair value with revaluation gains and losses included in other comprehensive income or loss until the instrument is derecognized or impaired. Cash is classified as loans and receivables. Accounts payable and accrued liabilities are classified as other financial liabilities.

The determination of fair value requires judgment and is based on market information, where available and appropriate. The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company’s financial instruments consist of cash and accounts payable and accrued liabilities. It is management’s opinion that the Company is not exposed to significant credit risks arising from these financial instruments and that the carrying value of these financial instruments approximates fair values due to the relatively short-term maturities of these instruments.

As at December 31, 2017 and 2016, the Company does not have any financial instruments carried at fair value and that require classification within the fair value hierarchy.

Cash Restriction

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the Exchange Policy.

As at December 31, 2017, the Company had exceeded this limit. The impact of this violation is not known and is ultimately dependent on the Exchange.

Critical Accounting Estimates

The preparation of the Company's financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of policies, reported amounts and other disclosures in these financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year. There have been no significant judgements made by management in the application of IFRS that have a significant effect on these financial statements, with exception to accounts payable and accrued liabilities, deferred taxes and the going concern assumption.

Recent Accounting Pronouncements

The IASB and the IFRS Interpretations Committee have issued certain pronouncements that are mandatory for accounting periods commencing on or after January 1, 2018. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company has not early adopted and is currently assessing the impact of adopting the following standards or amendments will have on the Company's financial statements.

IFRS 9 – Financial Instruments (“IFRS 9”)

IFRS 9 was issued by the IASB in July 2014 and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

Risk Management

The Company is exposed to different types of risks in the normal course of operations, including credit risk and liquidity risk. There have been no significant changes in the risks, objectives, policies and procedures during the years ended December 31, 2017 and 2016.

Fair Value

The carrying amounts for cash, trade and other receivables, and accounts payable and accrued liabilities on the statements of financial position approximate fair value given that they are primarily short-term in nature.

Credit Risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash balances and other receivables. Cash is held with a reputable Canadian chartered bank and in trust by the Company's legal counsel. The Company manages the credit exposure related to cash of \$4,523 as at December 31, 2017 (December 31, 2016 – \$1,291) by making sure that the Company maintains bank accounts with Schedule 1 banks in Canada. The carrying amount of cash represents the maximum credit exposure.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company controls liquidity risk by ensuring that it has sufficient cash resources to pay for its financial obligations. All of the Company's accounts payable and accrued liabilities are due within one year.

Capital Management

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund ongoing operations and finance the identification and evaluation of potential investments. To secure the additional capital necessary to pursue these investments, the Company may attempt to raise additional funds through the issuance of equity and warrants or by securing strategic partners.

The Company considers share capital, share option reserve, and accumulated deficit in the amount of \$56,433 as at December 31, 2017 (December 31, 2016 – \$31,521) to represent capital.

The Company's capital management objectives, policies and processes have remained unchanged during the years ended December 31, 2017 and 2016.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSXV which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of December 31, 2017, the Company is compliant with Policy 2.5. a lending institution or regulatory body.

Subsequent Events

Subsequent to December 31, 2017, the Company announced that it has entered into a LOI with Irri-Al-Tal, whereby Irri-Al-Tal will exchange all its issued and outstanding common shares for common shares of Sagittarius and become a wholly-owned subsidiary of the Company.

Completion of the transaction is subject to completion of due diligence, receipt of all required regulatory, director and shareholder approvals, execution of definitive agreements and certain other conditions that are customary for transactions of this nature. Following completion of the transaction, it is anticipated that the Resulting Issuer will be a Tier 1 Industrial and Technology company.

SCHEDULE "J"
MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS OF THE COMPANY
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2018

SAGITTARIUS CAPITAL CORPORATION
(A Capital Pool Corporation)

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2018 AND 2017**

August 24, 2018

The following Management's Discussion and Analysis ("MD&A") of the operating results and financial position of Sagittarius Capital Corporation ("Sagittarius" or the "Company") is effective August 24, 2018. The MD&A is supplementary to, and should be read in conjunction with the unaudited condensed interim financial statements for the three and six months ended June 30, 2018, as well as the Company's audited financial statements for the year ended December 31, 2017. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") in Canada. All monetary amounts are expressed in Canadian dollars.

FORWARD-LOOKING INFORMATION

The discussion and analysis and other sections of this report contain forward-looking statements. These forward-looking statements, by their nature, necessarily involve risks and uncertainties that could cause results to differ materially from those contemplated by these forward-looking statements. Management considers the assumptions on which these forward-looking statements are based to be reasonable at the time the statements were prepared, but cautions the reader that actual results could differ materially from those anticipated.

General Overview

Sagittarius was incorporated under the *Business Corporations Act* (Ontario) on April 20, 2007 and is classified as a Capital Pool Corporation as defined by TSX Venture Exchange ("TSX-V") Policy 2.4 (the "Exchange Policy"). The Company has nominal assets other than cash and proposes to identify and evaluate potential acquisitions or businesses.

In the opinion of management, all adjustments consisting of normal recurring adjustments considered necessary for a fair presentation of the Company's financial position, results of operations, and cash flows, have been included. The Company has not commenced active business operations and, therefore, no segmented information is available.

Recent Developments

Sagittarius currently has no active business operations but had entered into a letter of intent ("LOI") with Israeli-based Irri-Al-Tal Ltd. ("Irri-Al-Tal") (the "Arrangement"), whereby the Arrangement will constitute the Qualifying Transaction ("QT") of the Company pursuant to the policies of the TSX-V.

On June 21, 2018, the Company and Irri-Al-Tal entered into an amended and restated LOI, superseding the terms of the LOI entered on December 28, 2017, as amended on April 24, 2018. The terms of the QT are as follows:

- 1) Sagittarius and Irri-Al-Tal are expected to enter into a share exchange agreement (the "Securities Exchange Agreement") whereby Irri-Al-Tal will exchange all its issued and outstanding common

shares for common shares of Sagittarius and become a wholly-owned subsidiary of Sagittarius.

- 2) Pursuant to the Share Exchange Agreement, holders of Irri-Al-Tal common shares are expected to be entitled to receive two (2) Consolidated Sagittarius Share for every one (1) Irri-Al-Tal Shares (“Share Exchange”). The Board of Directors of the Resulting Issuer is expected to be comprised of up to five (5) directors, of which three individuals will be the nominees of Irri-Al-Tal, and two individuals will be nominees of Sagittarius.
- 3) Sagittarius will be required to seek shareholder approval for: (i) a share consolidation of the common shares in the Company (“Sagittarius Shares”) on a 1.4964 old shares for one (1) new share Consolidated Sagittarius Share; and (ii) a name change to “Waterways Technologies Inc.” or as otherwise approved by the directors of the Company.
- 4) Prior to the Share Exchange, Irri-Al-Tal intends to complete a private equity financing (the “Private Placement”) concurrently with listing of up to an amount of \$2,000,000 comprised of units at a price of \$0.50 per unit. Each unit will be comprised of one (1) Irri-Al-Tal share and one half (1/2) of one Irri-Al-Tal share purchase warrant, with each whole warrant being exercisable into one Irri-Al-Tal share at an exercise price of no less than \$0.70 for a period of 24 months from the closing date of the Private Placement.

Completion of the Arrangement is subject to completion of due diligence, receipt of all requisite consents, acceptances and regulatory approvals, and all director and shareholder approvals, execution of definitive agreements and certain other conditions that are customary for transactions of this nature. Following completion of the Arrangement, it is anticipated that the Resulting Issuer will be eligible to become a Tier 2 issuer on the TSX-V.

On August 21, 2018, the Company and Irri-Al-Tal entered into the Securities Exchange Agreement to effect the Share Exchange on closing on the QT.

The Company also intends to complete an offering of securities (“Concurrent Financing”) to be completed concurrently with the closing of the QT. It is intended the Concurrent Financing will be conducted as a public offering of units via a prospectus. The Company will issue up to 16,000,000 units at a price of \$0.25 per unit for maximum gross proceeds of \$4,000,000 (“Maximum Offering”) and a minimum of 8,000,000 units for the minimum gross proceeds of \$2,000,000 (“Minimum Offering”). Each unit will be comprised of one (1) Sagittarius share and one-half (1/2) of a Sagittarius share purchase warrant (“QT Warrant”). Each QT Warrant will allow the holder to purchase one common share at a price of \$0.40 for a period of 24 months from the date of issuance.

On August 23, 2018, the Company filed its preliminary prospectus in regard to the proposed QT.

Selected Financial Information

Summarized selected financial information with respect to Sagittarius for the unaudited six months period ended June 30, 2018 and 2017 are as follows:

<u>For the six months ended</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
	\$	\$
Total expenses	(21,561)	(11,701)
Net loss	(21,561)	(11,701)
Loss per share	(0.006)	(0.003)
Total assets	37,735	5,542

Total liabilities	115,729	61,975
Shareholders' deficiency	(77,994)	(56,433)

Summary of Quarterly Results

The following table presents selected financial data of Sagittarius for its last eight quarters as reported in the particular period:

Period	Net profit (loss)	Profit (loss) per share
	\$	\$
2018 Q2	(21,561)	(0.003)
2018 Q1	(11,212)	(0.003)
2017 Q4	(8,133)	(0.003)
2017 Q3	(5,078)	(0.001)
2017 Q2	(6,990)	(0.002)
2017 Q1	(4,711)	(0.001)
2016 Q4	(5,693)	(0.002)
2016 Q3	(3,956)	(0.001)
2016 Q2	(7,329)	(0.002)

Results of Operations

Three months ended June 30, 2018

The Company recorded expenses of \$10,349 during the three months ended June 30, 2018 compared to a loss of \$6,990 during the comparative period.

During the three months ended June 30, 2018, the Company incurred professional fees of \$6,295 representing legal, audit and accounting fees associated with its operations compared to \$2,913 during the comparative period. Filing fees and office and general expenses were \$3,993 (2017 – \$3,893) and \$61 (2017 – \$84), respectively, for the current quarter.

Net loss for the three months ended June 30, 2018 was \$10,349 (per share income of \$0.003) compared to a net loss of \$6,990 during the comparative period (per share loss of \$0.002)

Six months ended June 30, 2018

The Company recorded expenses of \$21,561 during the six months ended June 30, 2018 compared to a loss of \$11,701 for the six months ended June 30, 2017.

During the six months ended June 30, 2018, the Company incurred professional fees of \$16,173 representing legal, audit and accounting fees associated with its operations compared to \$6,317 during the comparative period. Filing fees and office and general expenses were \$5,243 (2017 – \$5,243) and \$145 (2017 – \$141), respectively, for the current period.

Net loss for the six months ended June 30, 2018 was \$21,561 (per share loss of \$0.006) compared to a net loss of \$11,701 during the comparative period (per share loss of \$0.003)

Liquidity

As at June 30, 2018, the Company had cash of \$5,884 (December 31, 2017 – \$4,523), and HST and other receivables of \$31,851 (December 31, 2017 – \$1,019). The Company's cash flow is primarily financed through HST refunds claimed on its normal business expenditures incurred as a result of maintaining public company status. HST refunds represent the single source of cash flows for the Company going into 2018. Total liabilities were \$115,729 as at June 30, 2018, compared to \$61,975 as at December 31, 2017. The increase is primarily attributable to the accrual of professional fees incurred during the current period.

Shareholders' deficiency totaled \$77,994 as at June 30, 2018 (December 31, 2017 – \$56,433), for an increase of \$21,560, as a result of the net loss incurred during the six months ended June 30, 2018.

The Company is looking at other sources of financing to remain as a going concern entity.

Capital Resources

The Company financed its operations during the six months ended June 30, 2018 and during the year ended December 31, 2017 mainly through the remaining cash proceeds from its initial public offering, and from HST refunds claimed on its normal business expenses.

Cash from the initial public offering has been primarily used to pursue a proposed qualifying transaction.

Off-Balance-Sheet Arrangements

As of June 30, 2018, Sagittarius had no off-balance-sheet arrangements.

Related Party Transactions

Transactions with related parties, if any, are incurred in the normal course of business and are measured at the exchange amount which is the amount of consideration established and approved by the related parties.

During the six months ended June 30, 2018, the Company incurred accounting fees of \$5,000 (2017 – \$5,000) to Branson Corporate Services Inc. ("Branson"), a company in which a director has a non-controlling indirect interest. The Company also recovered legal fees and disbursements of \$3,827 (2017 – fees and disbursement of \$1,062) to Fogler, Rubinoff LLP ("Fogler"), a law firm in which a director of the Company is a Partner.

As of June 30, 2018, an amount of \$31,767 (December 31, 2017 – \$26,117) owed to Branson, and an amount of \$37,123 (December 31, 2017 – \$9,587) owed to Fogler, were included in accounts payable and accrued liabilities. As at June 30, 2018, the Company also owed \$12,821 (December 31, 2017 – \$12,821) to a director, as well as \$14,582 (December 31, 2017 – \$7,229) to FMI Capital Advisory Inc., a company where the minor children of the director hold an indirect interest. These amounts are unsecured, non-interest bearing and due on demand.

There was no remuneration paid to directors and key management personnel during the six months ended June 30, 2018 and 2017.

Share Capital

As at June 30, 2018, the Company had authorized unlimited common shares without par value and had issued 4,190,000 common shares (December 31, 2017 – 4,190,000 common shares).

In 2010, the Company cancelled 500,000 Seed Common Shares held by current and former directors of the Company as a result of not consummating a QT within the prescribed period of time allowed under the Exchange Policy. Additionally, as of December 31, 2017, there are no options issued and outstanding.

As of the date of this MD&A, the number of common shares had not changed.

Financial Instruments

Financial assets

Financial assets within the scope of IFRS 9 ‘Financial Instruments’ (“IFRS 9”) are classified as financial assets at fair value through profit or loss (“FVTPL”), financial assets at fair value through other comprehensive income (loss) (“FVTOCI”) and financial assets at amortized costs, as appropriate.

Classification and measurement

The Company determines the classification of its financial assets at initial recognition. All financial assets are recognized initially at fair value plus directly attributable transaction costs.

The Company’s financial assets, including cash and receivables excluding any sales tax amounts, are measured at amortized cost.

Recognition and measurement

Subsequent to initial recognition, all financial assets are measured at amortized cost, at FVTOCI or at FVTPL. At each reporting date, impairment requirements are applied to financial assets measured at amortized cost and at FVTOCI.

Determination of fair value

The determination of fair value requires judgment and is based on market information, where available and appropriate. The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at June 30, 2018 and December 31, 2017, the Company does not have any financial instruments carried at fair value and that require classification within the fair value hierarchy.

Financial liabilities

All financial liabilities within the scope of IFRS 9 are measured at amortized cost, except for financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, contingent consideration recognized by an acquirer in a business combination to which IFRS 3 – Business Combinations applies. Such contingent consideration shall subsequently be measured at fair value with changes recognized in profit or loss.

The Company's financial liabilities consist of accounts payable and accrued liabilities, and are measured at amortized cost.

Cash Restriction

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a QT by the Company as defined under the Exchange Policy. As at June 30, 2018, the Company had exceeded this limit. The impact of this violation is not known and is ultimately dependent on the Exchange.

Critical Accounting Estimates

The preparation of the Company's unaudited condensed interim financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of policies, reported amounts and other disclosures in the unaudited condensed interim financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year. There have been no significant judgements made by management in the application of IFRS that have a significant effect on these financial statements, with exception to accounts payable and accrued liabilities, deferred taxes and the going concern assumption.

Adoption of New Accounting Policies

The Company had adopted the following new standard, effective January 1, 2018. The change was made in accordance with the applicable transitional provisions. There was no material impact on the Company's unaudited condensed interim financial statements.

IFRS 9 – Financial Instruments (“IFRS 9”)

IFRS 9 was issued by the IASB in July 2014 and replaces IAS 39 ‘Financial Instruments: Recognition and Measurement’ (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39.

Risk Management

The Company is exposed to different types of risks in the normal course of operations, including credit risk and liquidity risk. There have been no significant changes in the risks, objectives, policies and procedures during the three months ended June 30, 2018 and 2017.

Fair Value

The carrying amounts for cash, HST and other receivables, and accounts payable and accrued liabilities on the unaudited condensed interim statements of financial position approximate fair value given that they are primarily short-term in nature.

Credit Risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash balances and other receivables. Cash is held with a reputable Canadian chartered bank and in trust by the Company's legal counsel. The Company manages the credit exposure related to cash of \$5,884 as at June 30, 2018 (December 31, 2017 – \$4,523) by making sure that the Company maintains bank accounts with Schedule 1 banks in Canada. The carrying amount of cash represents the maximum credit exposure.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company controls liquidity risk by ensuring that it has sufficient cash resources to pay for its financial obligations. All of the Company's accounts payable and accrued liabilities are due within one year.

Capital Management

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund ongoing operations and finance the identification and evaluation of potential investments. To secure the additional capital necessary to pursue these investments, the Company may attempt to raise additional funds through the issuance of equity and warrants or by securing strategic partners.

The Company considers share capital, share option reserve, and accumulated deficit in the amount of \$77,994 as at June 30, 2018 (December 31, 2017 – \$56,433) to represent capital.

The Company's capital management objectives, policies and processes have remained unchanged during the six months ended June 30, 2018 and during the year ended December 31, 2017.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSXV which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

CERTIFICATE OF THE COMPANY

Dated: November 19, 2018

This amended and restated prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this amended and restated prospectus as required by the securities legislation of the Provinces of Ontario, Alberta, and British Columbia.

(Signed) Brian Presement
Brian Presement
Chief Executive Officer

(Signed) Christopher Hazelton
Christopher Hazelton
Chief Financial Officer

On behalf of the Board of Directors

(Signed) Adam Szweras
Adam Szweras
Director

(Signed) Brian Micner
Brian Micner
Director

CERTIFICATE OF IRRI-AL-TAL AND PROMOTER

Dated: November 19, 2018

This amended and restated prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this amended and restated prospectus as required by the securities legislation of the Provinces of Ontario, Alberta and British Columbia.

(Signed) Ohad Haber
Ohad Haber
Chief Executive Officer

(Signed) Meira Zada
Meira Zada
Chief Financial Officer

On behalf of the Board of Directors

(Signed) Ohad Haber
Ohad Haber

On Behalf of the Promoter

(Signed) Ohad Haber
Ohad Haber

CERTIFICATE OF THE AGENT

Dated: November 19, 2018

To the best of our knowledge, information and belief, this amended and restated prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this amended and restated prospectus as required by the securities legislation of the Provinces of Ontario, Alberta, and British Columbia.

LEEDE JONES GABLE INC.

Per: *(Signed) Richard Carter*
Richard Carter, Senior Vice-President, General Counsel and Secretary