CATCH THE WIND LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For The Three Months Ended March 31, 2009

CATCH THE WIND LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the three months ended March 31, 2009

As At May 29, 2009

The following is management's discussion and analysis ("MD&A") of the interim consolidated results of operations, financial condition and cash flows of Catch the Wind Ltd. ("CWL") and Catch the Wind, Inc. ("CTW") for the three months ended March 31, 2009. For the purposes of this MD&A, CTW and CWL are sometimes collectively referred to as the "Company". This MD&A should be read in conjunction with the consolidated financial statements of CWL as defined in the interim financial statements ended March 31, 2009 and the notes thereto. All statements have been prepared in accordance with Canadian GAAP and are expressed in US dollars. These statements are prepared in accordance with National Instrument 51-102F1, and has been reviewed and approved by the Company’s Board of Directors prior to filing and should be read in conjunction with the Company’s unaudited interim consolidated financial statements and related notes as at and for the three months ended March 31, 2009, and with the Company’s audited consolidated financial statements and related notes as at and for the year ended December 31, 2008, which have been prepared in accordance with Canadian Generally Accepted Accounting Principles (“GAAP”), and the Company’s annual Management Discussion and Analysis dated April 17, 2009. The effective date of this MD&A is May 29, 2009, and is current to that date, unless otherwise stated.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

Certain statements in this MD&A, particularly statements regarding future economic performance and finances, plans, expectations and objectives of management, may constitute "forward-looking" statements which reflect the Company’s current views with respect to future events and financial performance. When used in this MD&A, such forward-looking statements use words such as "may", "will", "expect", "believe", "anticipate", "plan", "intend", "estimate", "project", "continue" and other similar terminology of a forward-looking nature or negatives of those terms. These forward-looking statements are based on certain assumptions by management, certain of which are set out herein. The forward-looking statements appearing in this MD&A reflect current expectations regarding future events and operating performance and speak only as of the date of this MD&A.

Although management believes that the expectations reflected in such forward-looking statements are reasonable, all forward-looking statements address matters that involve known and unknown risks, uncertainties and other factors and should not be read as guarantees of future performance or results. Accordingly, there are or will be a number of significant factors which could cause the Company’s actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Factors that could cause actual future results, performance or achievements to differ materially include, but are not limited to, those factors identified in the 'Risk Factors' section of the filing statement the Company filed with regulatory authorities on September 9, 2008 (the "Filing Statement"). Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to accurately predict and many of which are beyond the Company's control. Past performance is no guarantee of future performance. The Company cannot predict all of the risk factors, nor can it assess the impact, if any, of such risk factors on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those projected in any forward-looking statements. Accordingly, forward-looking statements should not be relied upon as a prediction of actual results. The Company disclaims any intention or obligation to publicly update or revise any forward-looking statements after distribution of this MD&A, whether as a result of new information, future events or other circumstances, except as may be required pursuant to applicable securities laws.

Additional risk factor discussion can be found in the Company's continuous disclosure filings, reports and other filings with securities commissions and regulatory authorities in Canada and filed under the Company's profile on SEDAR at www.sedar.com.

Corporate Structure and Reverse Takeover

CTW was incorporated under the laws of the Commonwealth of Virginia on March 18, 2008. CTW operated as an unincorporated entity and affiliate of Optical Air Data Systems, LLC ("OADS"), a Virginia limited liability company, for the period from its inception (on January 1, 2008) to March 17, 2008.

CTW was established as a separate entity on January 1, 2008 to develop, manufacture and sell products based on light detection and ranging (LIDAR) technology developed by OADS, including the Vindicator remote laser wind sensing system ("Vindicator"). OADS chose to form a new entity for these activities effective January 1, 2008, as its other business activities, primarily contracting services for the U.S. government and others, involved different customers, activities and objectives.

Pursuant to the terms of an acquisition agreement between, Bayview Public Ventures Inc. ("Bayview") and CTW dated September 3, 2008, Bayview acquired all of the outstanding shares of common stock of CTW through a merger of CTW and a wholly owned subsidiary of Bayview (the "Qualifying Transaction"). For accounting purposes, the acquisition has been treated as a recapitalization of CTW with CTW as the acquirer (Reverse Takeover). On July 30, 2008 and in contemplation of the Qualifying Transaction, CTW undertook a private placement of subscription receipts for gross proceeds of (CDN) $15,000,700. Each subscription receipt issued by CTW entitled the holder thereof to acquire one share of common stock of CTW prior to the completion of the Qualifying Transaction, which was subsequently exchanged for one common share of Bayview as part of the completion of the Qualifying Transaction. Upon completion of the private placement and the Qualifying Transaction, there were 38,046,784 shares of common stock of Bayview outstanding. In connection therewith, Bayview changed its name to "Catch the Wind Ltd.".

As a result of the completion of the Qualifying Transaction, CTW became a wholly owned subsidiary of CWL. The Company's business is carried on in the name of "Catch the Wind, Inc.". The Company operates in one reportable segment. Substantially all of the Company's assets are located in the United States of America. Because the Qualifying Transaction is accounted for as a reverse takeover, this MD&A is based on the financial statements of CTW.

CTW's activities since inception have consisted primarily of company formation, capital raising, initial marketing, production and manufacturing of Vindicator prototype units and other organizational activities. To date, the Company has not earned any revenues or commenced its principal commercial operations, and is therefore considered to be in the development stage. The Company's continued existence is dependent upon its ability to obtain sufficient financing during the development stage.

Management of OADS holds a majority of the ownership interests in OADS and also directly or indirectly owns 25,000,000 common shares of CWL. OADS and CWL are, therefore, under common control and OADS is considered a related party for purposes of accounting under CICA Handbook Section 3840 "Related Party Transactions".

Overall Performance

First quarter 2009 highlights and summary:

- As a development stage enterprise, the Company earned no revenue during the three months ended March 31, 2009;
- The Company recorded additional deferred revenue and deposits on future sales of $154,500 as of March 31, 2009;
- During the first quarter of 2009, CTW entered into its first two commercial contracts from customers for prototype Vindicator units;

- Loss from operations was $1,684,095 for the three months ended March 31, 2009;
- The Company's cash and cash equivalents totaled $5,494,610 as at March 31, 2009; and
- The Company had assets of $11,378,692 including $4,214,200 in Project Development Costs as at March 31, 2009.

Selected Interim Consolidated Quarterly Financial Information

Results of Operations

The table below sets out the statement of operations for the three months ended March 31, 2009. The information in these tables has been derived from the unaudited interim consolidated financial statements and accompanying notes for the three months ended March 31, 2009. Each investor should read the following information in conjunction with those statements and related notes. The financial information for the three months ended March 31, 2009 has been prepared by management in accordance with Canadian GAAP and is expressed in US dollars:

The table below sets out the statement of operations for the three months ended March 31, 2009.

	Three months ended 31-Mar-09 (Unaudited)		Three months ended 31-Mar-08 (Unaudited)	
Statement of Operations Data:				
Revenue:	**$**	**-**	**$**	**-**
Expenses:				
Salaries & benefits	$	637,246	$	-
General & administrative	$	285,617	$	4,406
Amortization	$	20,307	$	-
Sales & marketing	$	73,732	$	15,157
Consulting expenses	$	114,451	$	-
Professional fees	$	40,840	$	18,947
Professional engineering fees	$	509,011		
Research	$	-	$	2,468
Interest	$	6,743	$	-
Foreign currency gain	$	(3,852)	$	-
	$	1,684,095	$	40,978
Net loss and Comprehensive loss for the period	$	(1,684,095)	$	(40,978)
Supplemental Financial Data				
Loss per share	$	(0.04)	$	(0.00)
Weighted average number of Shares outstanding		38,046,784		25,000,000
Balance Sheet Data (3/31/09):				
Cash and cash equivalents	$	5,494,610	$	-
Working Capital (Current assets less current liabilities)	$	4,879,486	$	(40,978)
Total Assets	$	11,378,692	$	342,591
Total Liabilities	$	1,674,644	$	383,569
Total Shareholders' Equity	$	9,456,193	$	(40,978)

Cash Flow Information

Operating activities	$	(2,199,681)	$	(67,225)
Investing activities		(1,312,604)		(313,988)
Financing activities		(136,872)		381,213
Net cash inflows (outflows)		(3,649,157)		-
Cash, beginning of period		9,143,767		-
Cash, end of period	$	5,494,610	$	-

Revenue

The Company is a development stage company and did not generate any revenue during the period ended March 31, 2009. However, the company recorded $154,500 in additional deferred revenue and deposits from customers during the quarter.

Expenses

During the three months ending March 31, 2009, operating expenses were $1,684,095 compared to $40,978 in the comparable quarter of 2008. These expenses include salaries and wages, trade show expenses, consulting fees, marketing and sales expenses, and the administrative overhead of our business, which includes accounting, legal and office expenses, as well as research costs. It should be noted that during the first quarter of 2008, CTW was mostly an unincorporated entity and affiliate of OADS, and had minimal operations at that time.

Salaries and benefits expense during the three months ending March 31, 2009 totaled $637,246 compared to nil in the comparable quarter of 2008. The initial staffing of the Company commenced during the third quarter of 2008. It is expected that salaries and benefits expense will increase from current levels during the next few quarters as the Company hires additional human resources to support its growth initiatives.

General and administrative expense during the three months ending March 31, 2009 totaled $285,617 ($111,271 for T&E, and $174,345 for office expenses) compared to $4,406 in the comparable quarter of 2008. It is expected that general and administrative expense will increase from current levels during the next few quarters to support overall business growth initiatives.

Sales and marketing expense during the three months ending March 31, 2009 totaled $73,732 compared to $15,157 in the comparable quarter of 2008. It is expected that these costs will continue to increase as the company recruits additional sales resources to execute its strategy.

Consulting expense during the three months ending March 31, 2009 totaled $114,451 compared to nil in the comparable quarter in 2008. It is expected that consulting expenses will increase from current levels during the next few quarters to support overall business growth initiatives.

Professional fees expense during the three months ending March 31, 2009 totaled $40,840 compared to $18,947 in the comparable quarter in 2008. It is expected that professional fees expense will increase from current levels during the next few quarters to support overall business growth initiatives.

Professional engineering fees during the three months ending March 31, 2009 totaled $509,011 compared to nil in the comparable quarter in 2008. It is expected that professional engineering fees may decrease as the Vindicator comes into production and the company moves to an outsourced manufacturing model.

The net loss and comprehensive loss for the three months ending March 31, 2009 amounted to $1,684,095 compared to $40,978 in the comparable quarter in 2008, or a loss per share of $0.04 and $0.00, respectively, as the Company had no publicly traded stock during the first quarter of 2008. The Company recorded a valuation allowance against the full value of its future tax assets at March 31, 2009, and accordingly, did not reflect any future income tax benefit in its statement of loss and comprehensive loss for the period from inception to March 31, 2009.

Capital Assets Expenditures

The Company had $173,407 in capital expenditures for the three months ending March 31, 2009. These expenditures relate to test and manufacturing equipment and furniture and fixtures. Amortization expenses during the three months ending March 31, 2009 totaled $20,307. The Company had no amortization from capital assets during the first quarter of 2008.

Project Development Costs - Intangible Assets

The Company had project development costs for the three months ending March 31, 2009 amounting to $1,139,197 compared to $301,258 in the comparable quarter in 2008. These expenditures relate to the development of its products, including the Vindicator and other LIDAR wind sensing technology.

Summary of Quarterly Results

The following table sets out selected unaudited financial information of the Company on a consolidated basis for the last five quarters. The information has been derived from the Company's quarterly unaudited consolidated financial statements that, in management's opinion, have been prepared on a basis consistent with the consolidated financial statements and are reviewed and approved by the Company's Board of Directors. The Company's quarterly operating results have varied in the past and may vary substantially in the future. Accordingly, the information below is not necessarily indicative of results for any future quarter.

	Q1 FY09	**Q4 FY08**	**Q3 FY08**	**Q2 FY08**	**Q1 FY08**
Statement of Operations					
Revenue	-	-	-	-	-
Net loss	($1,684)	($1,469)	($477)	($244)	($41)
Loss per share	($0.04)	($0.04)	($0.02)	-	-
Cash Flow Information					
Operating activities	($2,200)	($2,015)	$500	$140	($67)
Investing activities	($1,313)	($1,510)	($963)	($912)	($314)
Financing activities	($137)	$42	$12,996	$866	$381
Net cash inflow (outflow)	($3,650)	($3,483)	$12,533	-	-
Cash, beginning of period	$9,144	$12,627	$94	-	-
Cash, end of period	$5,494	$9,144	$12,627	$94	-
Balance sheet information					
Working capital	$4,879	$7,925	$11,079	($286)	($41)
Total assets	$11,379	$12,586	$14,547	$1,070	$341
Shareholders equity	$9,456	$11,032	$12,407	($286)	($41)

Liquidity and Capital Resources

During the three months ending March 31, 2009, cash used in operating activities amounted to $2,199,681 compared to $67,225 in the comparable period in 2008, and was primarily due to the increase in inventory, recruitment of company personnel, administrative costs, professional fees and other assets.

Cash used in investing activities for these periods amounted to $1,312,604 and $313,988, respectively, primarily arising from the increase in product development costs relating to the development of the Vindicator of $1,139,197 and $301,258, respectively.

Cash used in and provided by financing activities amounted to $136,872 and $381,213, respectively, primarily attributable to advances and repayments with related parties.

The Company's principal uses of cash have been, and are expected to be, funds needed to complete development of the Vindicator and to build prototype units, research and development costs, capital expenditures and funds needed to support marketing, manufacturing and commercialization and general and administrative activities. Until the Company is able to generate sales or receive deposits from customers on confirmed orders, it will continue to rely on equity and debt financing to fund these requirements. The Company does not have any other commitments for material capital expenditures over the near or long term, and none are presently contemplated other than as disclosed in the Filing Statement and/or in connection with normal operating requirements.

Commitments, Contingencies and Off-Balance Sheet Arrangements

As at March 31, 2009, the Company had no commitments for capital expenditures, no contingencies and no off-balance sheet arrangements. As referenced in Note 10 to the interim consolidated financial statements of CWL for the three month ended March 31, 2009, on September 1, 2008, CTW and OADS entered into an agreement to sublease office and support space for a period of one year with a two-year renewal option. As disclosed in Note 11 to the interim consolidated financial statements of CWL for the three month periods ended March 31, 2009, CTW has a commitment to make royalty payments to OADS under the terms of a Licensing Agreement between CTW and OADS dated September 3, 2008 (the "Licensing Agreement").

The Company is occasionally named as a party in various claims and legal proceedings, which arise during the normal course of its business. Although there can be no assurance that any particular claim will be resolved in the Company's favor, the Company does not believe that the outcome of any claims or potential claims of which it is currently aware will have a material adverse effect on the Company.

Transactions with Related Parties

As noted earlier in this MD&A, CWL and OADS share common ownership. As such, CWL and OADS are under common control and OADS is considered a related party for purposes of accounting under CICA Handbook Section 3840 – "Related Party Transactions".

As disclosed in Note 12 to the interim consolidated financial statements of CWL as defined in the financial statements ended March 31, 2009, under the terms of a services agreement between CTW and OADS dated September 3, 2008 (the "Services Agreement"), the Company currently relies upon OADS to provide it with engineering, research and development services related to the technology licensed by CTW from OADS under the Licensing Agreement, as well as general administration support.

As disclosed in Note 11 to the interim consolidated financial statements of CWL for the three months ended March 31, 2009, CTW has a commitment to make royalty payments to OADS under the terms of the Licensing Agreement.

In addition, as disclosed in Note 11 to the interim consolidated financial statements of CWL for the three months ended March 31, 2009, effective September 1, 2008, CTW and OADS entered into a Sublease

Agreement (the "Sublease Agreement") pursuant to which CTW leases certain office and support space from OADS for a period of one year commencing September 2008. CTW has the option to renew the Sublease Agreement for an additional term of 2 years. Rent is payable at $22.00 per square foot (including all utilities, taxes and common area amounts) and is subject to an annual escalation of 3% per option year. The payment under the Sublease Agreement is dependent upon the amount of space utilized and is estimated to be $37,245 for the first fiscal year and $38,362 for the second fiscal year.

The Company believes the above-related party transactions between CTW and OADS reflect fair market value and are substantially equivalent to the terms that would have been negotiated had the companies operated on an arm's length basis.

Due to Related Party

As of March 31, 2009, the Company owed a balance of $402,400 to OADS, a related party, arising from cash advances to CTW and direct expenditures paid by OADS including labor charges (amounting to $352,400), and an estimated balance owed for aircraft usage.

Contractual Obligations and Indebtedness

Contractual obligations related to lease payments are summarized below. The Company has no other indebtedness or off-balance sheet arrangements.

The table below summarizes the future cash flow requirements for financial liabilities as at March 31, 2009:

Contractual Obligations (in thousands USD)		Total	0 to 6 months	6 to 12 months	12 to 24 months	After 24 months
Operating leases		$115,801	$40,576	$41,032	$34,193	-
Capital lease obligations		$443,533	$79,591	$79,591	$159,830	$124,522
Total Contractual obligations		$559,334	$120,167	$120,623	$194,023	$124,522

Subsequent Financing Transaction

On May 20, 2009, CWL completed a private placement (the "Private Placement") of 16,743,000 shares of common stock at a price of (CDN) $1.30 per share. In connection with the Private Placement, CWL paid a commission equal to 6% of the gross proceeds of the brokered portion of the Private Placement to National Bank Financial Inc., Research Capital Corporation and Canaccord Capital Corporation (collectively, the "Agents"), who acted as agents for the Private Placement. CWL also granted compensation options to the Agents entitling the holders thereof to acquire an aggregate of 1,003,080 shares of common stock of CTW at an exercise price of (CDN) $1.30 per share, exercisable for the 24-month period following the completion of the Private Placement. Placement costs totaling $1,207,443 were offset against the proceeds of the Private Placement. Net proceeds that will be recorded to equity in connection with the Private Placement are $17,483,281.

The net proceeds of the Private Placement will be used to further develop the efficient manufacture of the Vindicator and other laser based wind sensors, and for general working capital purposes.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Leases

Leases that transfer substantially all of the benefits, risks and rewards of ownership to CTW are recorded as capital leases and classified as capital assets with a corresponding increase to obligations under capital leases. Amortization will be recorded when the assets are placed into service. All other leases are classified as operating leases under which leasing costs are expensed in the period incurred. Deposits received, as part of the lease agreements will be offset against the lease obligations during the term of the lease.

Goodwill and Intangible Assets

On January 1, 2009, the Company adopted Canadian Institute of Chartered Accounts (“CICA”) Handbook Section 3064, “Goodwill and Intangible Assets”, which replaced Section 3062, “Goodwill and Other Intangible Assets”, and Section 3450, “Research and Development Costs”. This new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill and internally developed intangible assets and requires that research and development expenditures be evaluated against the same criteria as expenditures for intangible assets. The adoption of this new Section did not have an impact on the Company’s financial results.

CICA EIC 173: Credit Risk and the Fair Value of Financial Assets and Liabilities

Effective January 1, 2009, the Company adopted CICA Emerging Issue Committee Abstract (“EIC”) 173 “Credit Risk and the Fair Value of Financial Assets and Liabilities”. EIC 173 recommends that the determination of fair value of financial assets and liabilities take into account a company’s credit risk as well as the credit risk of the counterparty. The adoption of EIC 173 had no material impact on the Company’s financial statements.

Future Accounting Changes

In February 2008, the CICA announced that Canadian publicly accountable enterprises would adopt International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") effective January 1, 2011. IFRS will require increased financial statement disclosure. Although IFRS uses conceptual framework similar to Canadian GAAP, differences in accounting policies will need to be addressed. The Company is currently assessing the impact IFRS will have on its consolidated audited financial statements. The transition from current Canadian GAAP to IFRS is a significant undertaking that may materially affect the Company’s reported financial position and results of operations. Although the Company has not completed development of its IFRS changeover plan, when finalized it will include an analysis of key Canadian GAAP differences and a phased plan to assess accounting policies under IFRS. The Company anticipates completing its project scoping, which will include a timetable for assessing the impact on data systems, internal controls over financial reporting, and business activities during 2009.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

As a Venture Issuer, the Company is not required to certify the design and evaluation of the Company’s disclosure controls and procedures or internal controls over financial reporting, and the Company has not completed such an evaluation. Inherent limitations on the ability of the certifying officers of the Company to design and implement, on a cost-effective basis, disclosure controls and procedures or internal controls over financial reporting for the Company may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Share Capital

As at the date of this MD&A, CWL has 54,789,784 shares of common stock issued and outstanding and no shares of preferred stock outstanding. The number of shares of common stock outstanding does not include shares of common stock purchasable under options or warrants granted by the Company.

Risk Factors

Given the speculative nature of the business of the Company, an investment in the shares of CWL should only be considered by those persons who can afford a total loss of their investment. The risks presented below should not be considered to be exhaustive and may not be all of the risks that the Company may face. It is believed that these are the factors that could cause actual results to be different from expected and historical results. A fuller description of these and other risks and uncertainties that you should carefully consider are detailed in the Filing Statement. Additional risks and uncertainties not presently known to the Company or that the Company currently deems immaterial may also impair the Company's business operations. If any of the risks described below or in the Company's other filings occur, the Company's business, financial condition, liquidity and results of operations could be materially harmed:

(a) CTW was only recently incorporated, and has minimal operating history upon which its business can be evaluated. As such, the Company's business and prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stage of development. Such risks include the early stage development of the Vindicator, the Company's ability to anticipate and adapt to its marketplace, the ability to attract customers and meet its targeted growth plan, and the ability to identify, attract and retain qualified personnel.

(b) Because CTW is a new company introducing a new product, the Company's revenues may be materially affected by the decisions, including timing decisions, of a relatively consolidated customer base.

(c) Certain duties within CTW's accounting and finance departments are not properly segregated due to the small number of individuals employed in these areas. These deficiencies may be considered to be a significant deficiency in internal control, or a material weakness resulting in a more than remote likelihood that a material misstatement of the Company's annual or interim financial statements would not be prevented or detected.

(d) The Company may require additional financing to fund growth in working capital, to make further investments, and/or to complete development and commercial production of its products. The ability of the Company to arrange such financing in the future, if needed, will depend in part on prevailing capital market conditions and the financial success of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on satisfactory terms.

(e) Competition within the industries in which the Company operates is intense and is expected to increase in the future as the wind energy market matures. Some of the Company's competitors have longer operating histories and may possess greater financial and marketing resources. There is no assurance that the Company will be able to respond effectively or in a timely manner to the various competitive factors affecting the industries in which it operates.

(f) Changes to any of the laws, rules, regulations or policies to which the Company is subject could have a significant impact on the Company's business.

(g) Any liability for damages resulting from defects in, or malfunctions, of the Company's products or other costs incurred to remedy problems relating to the Company's products, such as recalls, could be substantial and could increase the Company's expenses and prevent growth of its business. The Company's products will be sold with a warranty, which could expose the Company to significant warranty expenses. Furthermore, a defect in, or malfunction of, any of the Company's products could result in tort or warranty claims. A well-publicized actual or perceived problem could adversely affect the market's perception of the Company's products. This could result in a decrease in demand for the Company's products, which could have a material adverse effect on its business, financial condition, liquidity and results of operations.

(h) CTW has licensed the technology, which forms the basis of the Vindicator from OADS pursuant to the terms of the Licensing Agreement. In the event that CTW commits a material breach of its obligations under the Licensing Agreement or made any material misrepresentation in anticipation of entering into the Licensing Agreement and, after receiving notice of such breach or misrepresentation, CTW does not cure the relevant breach within sixty (60) days after receipt of such written notice, OADS may, at its discretion: (a) terminate the Licensing Agreement; and/or (b) terminate the licenses granted to CTW under the Licensing Agreement by giving written notice of termination to CTW. In addition, OADS may terminate the Licensing Agreement in the event of the bankruptcy or insolvency of CTW. If the Licensing Agreement is terminated prior to the expiration of any licensed patent or copyright, all rights granted to CTW under the Licensing Agreement shall cease and revert back to OADS, and CTW shall not be permitted to thereafter make, use, offer to sell, sell, or import any products derived from the licensed technology, including the Vindicator.

(i) The Company has not conducted a comprehensive review of any of the patent applications that OADS has filed and cannot verify if the disclosure provided in the specification of each patent application is enabling and sufficient to obtain enforceable patent rights in such jurisdiction.

(j) The Company has not conducted a freedom to operate or clearance assessment of its ability to use or exploit the patent rights or technology licensed under the Licensing Agreement in any market. Such an assessment might uncover patent or other rights owned by third parties that could delay or halt the Company's ability to proceed with certain features of its products, and if that were the case, the Company might not be able to obtain a license to, or design around, such third party rights, if any.

(k) The Company is currently highly dependent on OADS for maintaining and enhancing the technology, which forms the basis of the Vindicator and any other products developed by CTW. In the event that OADS ceases for any reason to provide such services, or in the event of the termination of the Services Agreement, the Company may be unable to internally conduct its own research, development and engineering functions, and may be unable to reach satisfactory agreement with any other party to provide such services, which would have a material adverse effect on the Company’s business, results of operations and financial condition.

(l) The market for renewable energy products, specifically wind energy technology, is characterized by rapidly changing technology, evolving industry standards and increasingly diverse and sophisticated customer requirements. The introduction by competitors of products, which may use new technology and any emergence of new industry standards, could make the Company's products obsolete and unmarketable, or could exert price pressure on the Company's products. In order to succeed, the Company must be able to anticipate and respond quickly to such changes by developing or licensing new products or enhancing pre-existing technology. The Company cannot provide assurance that it will successfully develop or license new products or enhance pre-existing technology, that its products will receive market acceptance, or that the introduction of new products by others won't render the Company's technology and products obsolete. In order to remain competitive, the Company may be required to invest significantly greater resources than is currently projected in research and development and product enhancement efforts, which could result in increased operating expenses.

(m) The Company’s commercial success depends upon its ability to develop or license new or improved technologies and products, and to successfully obtain, defend or claim under license patent or other proprietary or statutory protection for these technologies and products in the U.S., the European Union and other countries. The Company will devote significant resources to protecting its proprietary technology and the technology licensed to CTW under the terms of the Licensing Agreement with OADS. However, the Company may not be able to develop or license technology that is patentable, patents may not be issued in connection with its pending applications and allowed claims may not be sufficient to protect its technology or technology that it licenses from third parties, including OADS. Furthermore, any patents issued (whether owned by, or licensed to, the Company) could be challenged, invalidated or circumvented and may not provide proprietary protection or a competitive advantage.

(n) To date, the Company has not manufactured any of its products, including the Vindicator, on a high-volume basis. To meet the quality, price, engineering, design and production standards or production volumes required to successfully mass market its products, the Company will have to produce such products through large-scale, high-volume processes or outsource the production of these units to a qualified outsourcer. These large-scale, high-volume manufacturing processes may require significant advances in manufacturing technology. The Company does not know whether or when it will be able to develop the manufacturing technology necessary to achieve efficient, large-scale, high-volume, low-cost manufacturing capability and processes; and/or whether it will be able to secure an outsourced relationship with one or more qualified partners on terms acceptable to the Company.

(o) The Company expects that its initial sales will be made to a concentrated group of customers such as wind farm operators, turbine manufacturers and wind resource assessment operators. The concentration of the Company's sales to a few customers could make the Company more vulnerable to collection risk if one or more of these customers were unable to pay for the Company's products. Also, having such a large portion of its total net revenue concentrated in a few customers could reduce the Company's negotiating leverage with these customers.

Additional Information

Additional risk factor discussion can be found in the 'Risk Factors' section of the Filing Statement and in the Company's continuous disclosure filings, reports and other filings with securities commissions and regulatory authorities in Canada and filed under the Company's profile on SEDAR at www.sedar.com.