

CALYX BIO-VENTURES INC.

Management's Discussion and Analysis of Financial Condition and Results of Operations April 30, 2014

Management's discussion and analysis provides a review of the performance of Calyx Bio-Ventures Inc. (the "Company" or "Calyx") and the following information should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2013 and related notes included therein, which are prepared in accordance with International Financial Reporting Standards. All monetary amounts, unless otherwise indicated, are expressed in Canadian dollars. This discussion and analysis compares performance for year ended December 31, 2013 with the year ended December 31, 2012 and discusses issues and risks that may impact future operations. For information identifying important factors that could cause actual results to differ materially from those anticipated, see "RISKS AND UNCERTAINTIES". Additional information on the Company is available on the SEDAR website at www.sedar.com

FORWARD LOOKING STATEMENTS

Certain statements contained in this document constitute "forward looking statements". When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", "forecast", "estimate", "expect" and similar expressions as they relate to the Company or its management, are intended to identify forward-looking statements. Such statements reflect the Company's current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments except as required by law.

The consolidated financial statements have been prepared on a going concern basis which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. The ability of the Company to continue as a going concern is dependent upon obtaining ongoing financing and there can be no assurance that the Company will be able to raise any capital through any type of offering or similar financial arrangement.

OVERVIEW

Calyx was incorporated by Chromos Molecular Systems Inc. ("Chromos") as part of a corporate reorganization process in 2008 acquiring 29% of the outstanding shares of Agrisoma Biosciences Inc. ("Agrisoma"), the loans and licenses to Agrisoma, Chromos' intellectual property, the outstanding shares of Chromos' two US subsidiaries, and assuming all of Chromos' liabilities and obligations. Under the reorganization the former shareholders of Chromos received one common share of Calyx for every 10 common shares of Chromos and Chromos was wound up into CHR Investment Corporation.

The Company has incurred losses since inception and as at December 31, 2013, has an accumulated deficit of approximately \$8.2 million. The Company currently has cash, the REM technology, the rights to use the ACE System for gene therapy and transgenics (an exclusive technology license) and its shareholding in Agrisoma and is pursuing other business opportunities in the agriculture and agri-pharmaceutical sectors.

The Company was incorporated under the laws of British Columbia, Canada. The Company's principal business office is 450-400 Burrard Street, Vancouver, BC V6C 3A6.

INTEREST IN AGRISOMA

In February 2008, December 2008 and August 2011 the Company entered into convertible promissory note agreements with Agrisoma that had conversion rights based on either a Qualified Financing or Qualified Sale of Agrisoma at prices based on a range of 50%, 60%, or 75% of the equity proceeds depending on the date of the Qualified Financing or Sale or at pre-determined amounts per share. The notes bore interest at 15% per annum and were secured by a general security agreement providing a charge over all Agrisoma's assets. The unpaid principal and interest on the February 2008 note was converted into the December 2008 note. As no Qualified Financing or Sale occurred, the notes were extended as necessary. Interest accrual stopped on September 30, 2012 at which time the principal was \$2,160,178 and unpaid interest \$452,561 for a total of \$2,612,739.

On October 5, 2012 the Company, Agrisoma and remaining major Agrisoma shareholder entered into a Note Conversion Agreement whereby on completion of the Company's purchase of the financial interest of the major shareholder noted above, all Agrisoma notes and unpaid interest would be converted into common shares. As part of the agreement, the parties stopped interest accrual on all convertible promissory notes effective September 30, 2012.

The parties agreed to convert the notes and unpaid interest at the following amounts: the December 2008 note at \$4.30233 per common share and the August 2011 note at \$2.31511 per common share. Following the purchase of the financial interest of the existing shareholder as discussed above the Company had \$2,411,527 of August 2008 notes and unpaid interest which was converted into 560,517 common shares. The Company had \$1,449,813 of August 2011 notes and unpaid interest which was converted into 626,240 common shares. Upon conversion, the previously unpaid and unrecorded interest of \$452,561 was recognized as interest income.

On December 13, 2012 the Company purchased 301,300 common shares for \$1,160,005 in cash from Agrisoma as a private placement and purchased 8,670 common shares for \$19,789 in cash from a minority Agrisoma shareholder.

An Independent Committee of the Company's Board of Directors has been reviewing the performance of Agrisoma and its ability to successfully commercialize its development projects. In its evaluation the Committee determined that Agrisoma is unlikely to progress in a manner that justifies additional financing that would be found satisfactory to Calyx shareholders.

On April 9, 2014 the Company entered into an agreement with BDC Capital Inc. (the other major shareholder of Agrisoma) and Agrisoma pursuant to which Calyx agreed to waive its pre-emptive rights in order to allow a third party to finance Agrisoma. If the proposed financing proceeds as proposed without Calyx's participation, Calyx's interest in Agrisoma will decrease from 49.96% to approximately 29%.

Additionally, intellectual property ("IP") which was exclusively licensed to Agrisoma is no longer under exclusive license to Agrisoma. With the IP reverting to Calyx, Calyx is now able to license and utilize its IP in other agricultural sector opportunities that it is currently investigating.

SELECTED ANNUAL FINANCIAL INFORMATION

ANNUAL FINANCIAL DATA

The following is the consolidated financial data for the last three fiscal periods (in thousands of dollars, except per share amounts):

	2013	2012	2011
Revenue	\$ Nil	\$113	\$188
Net income (loss)	\$(3,541)	\$(1,744)	\$(1,226)
Loss per common share- basic and diluted	\$(0.11)	\$(0.10)	\$(0.11)
Total assets	\$637	\$2,610	\$638
Total liabilities	\$163	\$200	\$544

QUARTERLY FINANCIAL DATA

The following is the selected unaudited consolidated financial data for each of the last eight quarters (in thousands of dollars, except per share amounts):

For the three month periods ended:

	Dec/13	Sep/13	Jun/13	Mar/13	Dec/12	Sep/12	Jun/12	Mar/12
Revenue	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$113	\$ Nil	\$ Nil	\$ Nil
Income (loss)	\$(1,164)	\$(847)	\$(866)	\$(664)	\$(1,379)	\$(87)	\$(134)	\$(144)
Basic and diluted earnings (loss) per common share	\$(0.04)	\$(0.02)	\$(0.03)	\$(0.02)	\$(0.08)	\$0.00	\$(0.01)	\$(0.01)

REVIEW OF OPERATIONS

Revenue

Licensing and other revenues for year ended December 31, 2013 was \$Nil as compared to \$112,500 for the prior year. The minimum license fee from Agrisoma was not recognized as the four revenue recognition criteria have not been met.

General and administrative expenses

General and administrative expenses increased by \$652,364 to \$1,027,602 for the year ended December 31, 2013. The increase is due primarily to involvement in the management and development of growth strategies for Agrisoma.

The changes in expense categories are:

Personnel costs	\$466,541
Professional fees	\$28,669
Marketing	\$175,518
All others-net	\$(18,363)
Total	<u>\$652,364</u>

Equity loss from interest in associate

The Company's share of Agrisoma's 2013 loss was \$1,752,205 and the Company recognized \$157,508 of amortized intangibles which resulted in a total charge of \$1,909,713 against the investment in Agrisoma. The Company eliminated the resulting \$162,338 investment in Agrisoma due to its financing challenges and the likelihood that the Company would not be able to agree to new financing that would be acceptable to the Company's shareholders.

Results

For the year ended December 31, 2013, the Company recorded loss and comprehensive loss of \$3,540,664 (\$0.11 per common share) compared to a loss and comprehensive loss of \$1,743,644 for the prior year (\$0.11 per common share). The increased loss of \$1,797,020 resulted from the following:

Reduction of royalty revenue	\$112,500
Increased general & administration expenses	652,365
Reduction of interest income	452,561
Increase in stock based compensation expense	288,120
Increase in equity loss in Agrisoma	125,883
Impairment in carrying value of Agrisoma	162,338
Increase in foreign exchange loss	3,253
Total increase in loss and comprehensive loss	<u>\$1,797,020</u>

SUBSEQUENT EVENTS

On April 9, 2014 the Company entered into an agreement with BDC Capital Inc. and Agrisoma Biosciences Inc. ("Agrisoma") pursuant to which Calyx has agreed to waive its pre-emptive rights in order to allow a third party to finance Agrisoma. The proposed Agrisoma financing, if it were to proceed as proposed and without Calyx's participation, will dilute Calyx's interest in Agrisoma from 49.96% to approximately 29%. An Independent Committee of Calyx's board of directors determined that in Company's view, Agrisoma's business had not progressed as expected, and no options for financing Agrisoma could be found that would be satisfactory to shareholders of Calyx.

Additionally, intellectual property ("IP") which was exclusively licensed to Agrisoma by the Company is no longer under exclusive license to Agrisoma. With the IP reverting to Calyx, Calyx is now able to license and utilize its IP in other agricultural sector opportunities that it is currently investigating.

LIQUIDITY AND CAPITAL RESOURCES

The Company had working capital of \$474,121 at December 31, 2013 [2012-\$338,504] and cash and cash equivalents of \$497,540 [2012-\$313,808].

The consolidated financial statements have been prepared on a going concern basis which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future.

The Company has incurred losses since inception and as at December 31, 2013, has an accumulated deficit of approximately \$8.2 million. The Company currently has cash, the REM technology, the rights to use the ACE System for gene therapy and transgenics (an exclusive technology license) and its shareholding in Agrisoma and is pursuing new business opportunities in the agricultural and agri-pharmaceutical sectors.

RELATED PARTY TRANSACTIONS

During the year the Company earned \$75,000 [2013-\$75,000] in licensing fees from Agrisoma for the use of certain technology; the earned amounts are included in revenue when the four revenue recognition criteria are met. The revenue recognized during the year was \$ Nil due to collection uncertainty [2012-\$112,500] resulting in unrecorded license fees \$75,000 at December 31, 2013.

During the year the Company earned \$ Nil [2012-\$150,863] interest on the Agrisoma notes and recognized \$ Nil [2012-\$452,461] interest income. The Agrisoma notes were converted into common shares during 2012.

During the year the Company incurred fees of \$426,880 [2012-\$150,975] for key management personnel. All transactions are recorded at their exchange amount and incurred in the normal course of business.

During the year the Company granted 1,450,000 stock options [2012-300,000], with a fair value of \$272,500 [2012-\$108,000] to key management personnel.

CONTRACTUAL OBLIGATIONS

Currently there are no contractual obligations.

OUTSTANDING SHARE CAPITAL

As at December 31, 2013 there were 38,351,892 common shares issued and outstanding, 3,476,753 common shares issuable upon the exercise of outstanding stock options at a weighted average exercise price of \$0.23 per share and 358,436 common shares available for future grant or issuance under the stock option plan. At December 31, 2013 there were 16,351,334 shares issuable pursuant to share purchase warrants exercisable at a weighted average price of \$0.45 per share.

A new Employee Incentive Stock Option Plan ["New Plan"] was approved at the meeting of the shareholders on March 27, 2011. Under this New Plan the number of common shares reserved for issuance is not to exceed 10% of the number of issued and outstanding common shares at the date of option granting to executive officers, directors, employees and consultants of the Company.

OFF-BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements.

CONTINGENCIES

The Company is in disagreement with Agrisoma over certain terms in the January 1, 2001 (as amended March 26, 2004) license and sub license agreement between the two companies.

On December 23, 2013, the Company received an US\$362,999 invoice from Agrisoma who maintains that the Company is responsible for paying this amount under the above agreement. The Company sought advice; legal counsel's view is that this allegation is baseless and without merit and therefore the Company has not accrued this amount in these financial statements.

RISKS AND UNCERTAINTIES

The Company's operations involve certain risks and a degree of uncertainty. Accordingly, management and the Board of Directors continue to review the Company's strategic options. Calyx's future viability depends on its ability to access sufficient business assets to pursue continued operations for the longer term and to obtain sufficient amounts of additional funds. The Company has incurred losses since inception and as at December 31, 2013, has an accumulated deficit of approximately \$8.2 million. The Company currently has cash, the REM technology, the rights to use the ACE System for gene therapy and transgenics (an exclusive technology license) and its shareholding in Agrisoma and is pursuing business opportunities in the agriculture and agri-pharmaceuticals sectors.

Calyx reviews its funding options on a continual basis and intends to seek additional funding as required through equity offerings and from other sources. There can be no assurance that such funds will be available on favourable terms or at all. If sufficient funding is unavailable, the Company may not be able to execute its strategic plan and we may be forced to delay, reduce or eliminate one or more opportunities or obtain funds through arrangements on less favourable terms than we would otherwise seek. Insufficient financing may also require us to amend our strategic plan

The Company is also exposed to market risk from changes in foreign currency exchange rates. Calyx may purchase goods and services in both Canadian and United States Dollars. Foreign exchange risk is primarily managed by satisfying non-Canadian denominated expenditures with cash flows or assets denominated in the same currency. We do not believe that the result of our operations or cash flows would be affected significantly by a sudden change in foreign exchange rates.

With the exception of historical data, this report may contain statements that are forward-looking and, by their very nature, are subject to delays, risks, and other known and unknown factors, which are wholly or partly beyond management's control. Each of these factors may give rise to results that differ materially from our forecasts. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

Management is responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the Company. Based on an evaluation of the Company's disclosure controls and procedures as of December 31, 2013, covered by this MD&A, management believes such controls and procedures are effective in providing reasonable assurances that material items requiring disclosure are identified and reported in a timely manner.

Management has designed, established and is maintaining a system of internal controls over financial reporting to provide reasonable assurance that the financial information prepared by the Company for external purposes is reliable and has been recorded, processed and reported in a timely and accurate fashion in accordance with generally accepted accounting principles. We have identified certain weaknesses in our internal control over financial reporting. These weaknesses essentially arise because of the small size of the Company and its accounting resources. This gives rise to an inability to achieve a standard of segregation of accounting and related duties which would be ideal. We have mitigated the risks arising from these weaknesses, through detailed review by the directors of the financial reports. Given that the Company currently has limited operations, we believe this risk mitigating approach provides for an effective control environment.

RECENT ACCOUNTING PRONOUNCEMENTS

New accounting pronouncements not yet adopted

Certain new standards, amendments to standards, and interpretations are not yet effective for the current reporting period, and therefore have not been applied in preparing the consolidated financial statements:

IAS 32 – Offsetting Financial Assets and Liabilities: effective January 1, 2014

This is an amendment to IAS 32 to clarify certain requirements for offsetting financial assets and liabilities as well as the meaning and application of the concepts of legally enforceable right of set-off and simultaneous realization and settlement.

IFRIC 21 – Levies: effective January 1, 2014

IFRIC 21 addresses the recognition requirements for a liability, other than income tax, to pay a levy imposed by a government. The interpretation requires liability recognition when an event, identified by legislation, triggers an obligation to pay.

IFRS 9 - Financial Instruments: effective January 1, 2015

This new standard is a partial replacement of 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. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The proposed effective date of IFRS 9 is January 1, 2018.

The Company has not early adopted this standard and is currently assessing the impact that this standard will have on its consolidated financial statements. Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company’s financial statements.

ADDITIONAL INFORMATION

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