CREDIT AGREEMENT

Dated as of May 9, 2008

between

BIG SKY FARMS INC.

as the Borrower

- and -

FCC VENTURES
a division of
FARM CREDIT CANADA

as Lender

by its portfolio manager
and lawful attorney

AVRIO INVESTMENTS INC.

THIS IS EXHIBIT "14" referred to in
the Affidavit of Conuty Tagseth
SWORN before me at Saskatoon
this 29th day of
October, 20 09

A COMMISSIONER FOR OATHS in and
for the Province of Saskatchewan
Being a Solicitor – OR –
My Commission expires ________

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TABLE OF CONTENTS

CREDIT AGREEMENT

THIS AGREEMENT is made as of the 9th day of May, 2008,

BY AND BETWEEN:

BIG SKY FARMS INC. (the "Borrower")

- and -

FCC VENTURES, a division of FARM CREDIT CANADA (the "Lender"), **by its portfolio manager and lawful attorney AVRIO INVESTMENTS INC.**

RECITALS

WHEREAS, the Borrower desires that the Lender extend a $250,000 term loan to the Borrower in order to fund certain working capital deficiencies affecting the Borrower;

AND WHEREAS, the parties wish to provide for the terms and conditions upon which such loan shall be made;

NOW THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Borrower, the parties hereto agree as follows:

AGREEMENT

ARTICLE 1 - DEFINITIONS

1.1 General Definitions

In this Agreement the following terms shall have the following meanings:

(a) "Accounts" means all claims, accounts, contract rights, or other rights to payment for goods sold or services rendered, chattel paper, instruments and documents, whether now owned or hereafter created or acquired by a Person or in which a Person now has or hereafter acquires any interest.

(b) "Account Debtor" means, in respect of any Account, the debtor obligated to make payment thereof.

(c) "Affiliate" means: (a) any Person which, directly or indirectly, controls, is controlled by or is under common control with any other Person; (b) any Person which beneficially owns or holds, directly or indirectly, ten percent (10%) or more of any class of voting stock or equity interest (including partnership interests) of any other Person; (c) any Person, ten percent (10%) or more of any class of the voting stock (or if such Person is not a corporation, ten percent (10%) or more of the equity interest, including partnership interests) of which is beneficially owned or held, directly or indirectly, by any other Person or (d) any Person related within the meaning of the *Income Tax Act* (Canada) to any such Person and includes any "Affiliate" within the meaning specified in the *Canada Business Corporations Act* on the date hereof. The term control (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of the Person in question.

(d) "Agreement" means this credit agreement, including all exhibits and schedules hereto, as amended, restated or otherwise modified from time to time.

(e) "Borrower" means Big Sky Farms Inc., a Saskatchewan corporation.

(f) "Business Day" means any day other than a Saturday, Sunday, or such other day as banks in Regina, Saskatchewan are authorized or required to be closed for business.

(g) "Closing Date" means the date on which all or any part of the Loan is advanced, so long as it is advanced prior to or on May 31, 2008;

(h) "Collateral" means all of the undertaking and Property, present and future, real, immovable, personal and immovable, of the Borrower, now or hereafter pledged, hypothecated, granted or assigned to the Lender to secure, either directly or indirectly, repayment of any of the Liabilities.

(i) "Default" means an Event of Default or any event, condition or default specified in Section 11.1 which, with the giving of notice, the lapse of time or both, would be an Event of Default.

(j) "Default Warrant" has the meaning ascribed to it in Section 4.5(b).

(k) "Equipment" means all machinery, apparatus, equipment, fittings, furniture, fixtures, motor vehicles and other tangible personal or movable Property (other than Inventory) of every kind and description used in a Person's operations or owned by such Person or in which such Person has an interest, whether now owned or hereafter acquired by such Person and wherever located, and all parts, accessories and tools and all increase and accessories thereto and substitutions and replacements therefor.

(l) "Event of Default" has the meaning ascribed to it in ARTICLE 11 hereof.

(m) "FG Debentures" has the meaning ascribed to in Schedule 1.1(x);

(n) "GAAP" means at any time generally accepted accounting principles and policies as in effect at such time in Canada.

(o) "Indemnified Party" has the meaning ascribed to it in Section 13.1 hereof.

(p) "Interest Rate" means the rate of interest specified in Section 4.1 hereof.

(q) "Inventory" means, with respect to any Person, all inventory of such Person, whether now owned or hereafter acquired including, but not limited to, all goods intended for sale or lease by such Person, or for display or demonstration; all work in process; all raw materials and other materials and supplies of every nature and description used or which might be used in connection with the manufacture, printing, packing, shipping, advertising, selling, leasing or furnishing of such goods or otherwise used or consumed in such Person's business; and all documents evidencing and Intangibles relating to any of the foregoing, whether now owned or hereafter acquired by such Person.

(r) "Liabilities" means all present and future obligations, liabilities and indebtedness of the Borrower to the Lender or to any parent, affiliate or subsidiary of the Lender of any and every kind and nature, howsoever created, arising or evidenced and howsoever owned, held or acquired, whether now or hereafter existing, whether now due or to become due, whether primary, secondary, direct, indirect, absolute, contingent or otherwise (including without limitation, obligations of performance), whether several, joint or joint and several, and whether arising or existing under written or oral agreement or by operation of law.

(s) "Lien" means: (a) any interest in Property securing an obligation owed to, or a claim by, a Person, whether such interest is based on the common law, civil law, statute, or contract, and including, without limitation, a security interest, charge, claim, hypothec or lien arising from a mortgage, deed of trust, hypothec, encumbrance, pledge, hypothecation, assignment, deposit arrangement, agreement, security agreement, conditional sale or trust receipt or a lease, consignment or bailment for security purposes; and (b) to the extent not included under clause (a), (i) any rights of repossession or similar rights of unpaid suppliers, (ii) any reservation, exception, encroachment, easement, right-of-way, covenant, condition, restriction, lease or other title exception or encumbrance affecting Property, and (iii) any other lien, hypothec, charge, privilege, secured claim, title retention, garnishment right, deemed trust, encumbrance or other right affecting Property, choate or inchoate, whether or not crystallized or fixed, whether or not for amounts due or accruing due, arising by any statute or law of any jurisdiction, at law, in equity or by any agreement.

(t) "Loan" has the meaning ascribed to it in Section 2.1 hereof.

(u) "Losses" has the meaning ascribed to it in Section 13.1 hereof.

(v) "Material Adverse Effect" means with respect to any event, act, condition or occurrence of whatever nature (including any adverse determination in any litigation, arbitration or governmental investigation or proceeding), whether singly or in conjunction with any other event or events, act or acts, condition or conditions, occurrence or occurrences, whether or not related, a result which alters materially and adversely the financial or other condition of the Borrower, including in the business, Property, operations or condition of the Borrower, or materially and adversely affects or could, in the reasonable determination of the Lender, affect materially and adversely the ability of the Borrower to perform their obligations hereunder or under the Other Agreements as the case may be.

(w) "Maturity Date" means November 9, 2009.

(x) "Other Agreements" means all agreements, instruments and documents, mortgages, trust deeds, pledges, powers of attorney, consents, assignments, contracts, notices, security agreements (including the Security Agreements), leases, financing statements, notes, and all other writings heretofor, now or from time to time hereafter executed by or on behalf of the Borrower, or any other Person and delivered to the Lender or to any parent, affiliate or subsidiary of the Lender in connection with the Liabilities or the transactions contemplated hereby, including, without limitation, the Warrants.

(y) "Permitted Liens" means, with respect to the Borrower (i) statutory liens of landlords, carriers, warehousemen, mechanics, materialmen or suppliers incurred in the ordinary course of business and securing amounts not yet due or declared to be due by the claimant thereunder, (ii) Liens in favour of the Lender or its affiliates, (iii) Liens in favour of shareholders of the Borrower pursuant to the Rights Offering; (iv) zoning restrictions and easements, rights-of-way, licenses, covenants and other restrictions affecting the use of real or immovable property that do not individually or in the aggregate have a Material Adverse Effect on the Borrower's ability to use such real or immovable property for its intended purpose in connection with the Borrower's business, (v) Liens and prior claims securing the payment of taxes or other governmental charges not yet delinquent or being contested in good faith and by proper proceedings, (vi) Liens incurred in the ordinary course of the Borrower's business in connection with the provision of purchase money security interests, which purchase money security interests shall rank in priority to the security interests granted to the Lender, provided that such security secures only the acquisition or purchase costs for the Property so secured; (vii) deposits to secure performance of bids, trade contracts, leases and statutory obligations (to the extent not excepted elsewhere herein), (viii) Liens specifically permitted as set forth on Schedule 1.1(x) attached hereto (subject to any restrictions set out in Schedule 1.1(x); (ix) any Lien arising out of the refinancing, extension, renewal or refunding of any indebtedness secured by a Lien permitted by any of the foregoing subsections (i) through (viii), inclusive; provided that (A) such indebtedness is not secured by any additional Property, and (B) the amount of such indebtedness is not increased; (x) pledges or deposits in connection with worker's compensation, unemployment insurance and other social security legislation, and to public utilities when required by the operations of the Borrower's business in the ordinary course of business, (xi) rights of set-off, banker's lien and other similar rights arising solely by operation of law; and (xii) Liens in favour of the Senior Operating Lender incurred in connection with the Senior Operating Credit Facilities.

(z) "Rights Offering" means an offering by the Borrower to one or more of its shareholders (including without limitation Florian Possberg) to advance loans to the Borrower on or before June 30, 2008, such loans to be on terms no less favourable to the Borrower than provided herein, including without limitation, the granting by the Borrower of warrants in connection with such loans;

(aa) "Person" means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, institution, entity, party or foreign or local government (whether federal, provincial, county, city, municipal or otherwise), including, without limitation, any instrumentality, division, agency, body or department thereof.

(bb) "Property" means any interest in any kind of property or asset, whether real, immovable, personal, movable, or mixed, tangible or intangible.

(cc) "Security Agreements" means any security agreement or hypothec executed by the Borrower regarding the pledge and grant of security interest or hypothec by the Borrower to the Lender in the Collateral;

(dd) "Senior Credit Agreement" means the third amended and restated credit agreement dated as of 14 July 2006 between the Borrower, Drycast Systems Inc. and Big Sky Management Consulting Inc. (collectively as the "Obligors"), the Lenders (as defined therein) and The Bank of Nova Scotia, in its capacity as Administrative Agent (as defined therein), as amended by the first amending agreement dated as of 7 March 2007, the second amending agreement dated as of 23 May 2007, the third amending agreement dated as of 14 December 2007, and the fourth amending agreement dated as of May 5, 2008 which amended and restated a second amended and restated credit agreement dated as of 22 August 2005, which was an amendment and restatement of an amended and restated credit agreement dated as of 26 June 2002 as amended from time to time, which was in turn an amendment and restatement of a credit agreement dated as of 1 September 2000, as amended, and further includes any document or agreement now or hereafter made for the purpose of amending, supplementing, restating or replacing the or any of the foregoing.

(ee) "Senior Operating Credit Facilities" means all of the credit facilities made available by the Senior Operating Lender to the Borrower under the Senior Credit Agreements.

(ff) "Senior Operating Lender" means, collectively, the Agent and Lenders from time to time under the Senior Credit Agreement, as the terms Agent and Lenders are defined therein, it being acknowledged that, as at the date hereof, The Bank of Nova Scotia is the Agent thereunder and The Bank of Nova Scotia, Bank of Montreal, National Bank of Canada and Farm Credit Canada are the Lenders thereunder.

(gg) "Subsidiary" means, with respect to a Person, any corporation of which more than fifty percent (50%) of the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time stock of any other class of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, owned by the Person or by any partnership, joint venture or other entity of which more than fifty percent (50%) of the outstanding equity interests are at the time, directly or indirectly, owned by the Person.

(hh) "Taxes" has the meaning ascribed to it in Section 13.2 hereof.

(ii) "Warrant" means the warrants to purchase Common Shares of the Borrower substantially in the form as set out in Schedule 4.5, to be issued to the Lender pursuant to the terms of Section 4.5(a) and 4.5(b), as applicable.

1.2 Accounting Terms and Definitions

Unless otherwise defined or specified herein, all defined terms in Section 1.1 as used in this Agreement have the meanings set out in such paragraph, and all accounting terms used in this Agreement shall be construed in accordance with GAAP, applied on a basis consistent in all material respects with the audited financial statements of the Borrower delivered to the Lender on or before the Closing Date. The financial statements required to be delivered hereunder from and after the Closing Date, and all financial records, shall be maintained in accordance with GAAP.

1.3 Supplements, Re-enactments, Etc.

References herein to any document or legislation are, unless otherwise stated, to be construed as references to such document or legislation as amended, restated or supplemented from time to time and references to any enactment include re-enactments, amendments and extensions thereof.

1.4 PPSA Terms

The terms "Chattel Paper", "Document of Title", "Intangible", "Goods" and "Instrument", and all other terms used but not defined herein that are defined in *The Personal Property Security Act, 1993* (Saskatchewan), have the respective meanings assigned to such term as of the date of this Agreement in *The Personal Property Security Act, 1993* (Saskatchewan).

ARTICLE 2 - TERMS OF THE LOAN

2.1 The Loan

Subject to the terms and conditions of this Agreement and the Other Agreements, absent the existence of a Default, the Lender agrees to provide a term loan in the principal amount of Two Hundred and Fifty Thousand dollars (Cdn.$250,000) to or for the account of the Borrower (the "Loan"), in accordance with the terms of Section 5.1 hereof.

ARTICLE 3 - PAYMENT

3.1 Mandatory Payment

The Borrower shall pay in full to the Lender the outstanding principal amount of the Loan, together with all accrued and unpaid interest thereon, on the Maturity Date.

3.2 Prepayments

The Borrower shall be entitled to prepay any amounts that may be owing on the Loan on account of principal or interest without the prior written consent of the Lender and without penalty. All such prepayment amounts received by the Lender from or on behalf of a Borrower and not previously applied pursuant to this Agreement shall be applied first, in reduction of the Borrower's obligation to pay any unpaid interest accrued on the principal amount of the Loan or on any other amount owing hereunder and second, in reduction of the Borrower's obligation to pay any amounts due and owing on account of the unpaid principal amount of the Loan.

3.3 General Matters

All payments made by the Borrower shall be made without set-off, recoupment or counterclaim. The Loan shall, if requested by the Lender, in the Lender's sole discretion, be evidenced by one or more promissory notes in form and substance satisfactory to the Lender. However, if such Loan is not so evidenced, the Loan made by the Lender, including rates of interest, fees and other charges, may be evidenced by entries upon the books and records maintained by the Lender which books and records shall constitute conclusive evidence thereof in the absence of manifest error.

ARTICLE 4 - INTEREST, FEES AND CHARGES

4.1 Rate of Interest

The principal amount of the Loan and other outstanding Liabilities shall bear interest from the Closing Date to the date paid at a rate equal to eighteen (18%) per cent per annum and such interest shall be payable in arrears in accordance with Section 4.2.

4.2 Payment of Interest

Subject to section 3.2 hereof, the Borrower shall pay Lender all interest accrued on the principal amount of the Loan and the outstanding amount of other Liabilities on the Maturity Date.

4.3 Computation of Interest and Fees

Interest hereunder shall be determined daily and compounded monthly not in advance, both before and after demand, default and judgment and shall be computed on the actual number of days elapsed over a year of three hundred and sixty-five (365) days. For the purpose of the *Interest Act* (Canada) only, the yearly rates of interest to which the rates applicable to the Loan are equivalent are the rates so determined, multiplied by the actual number of days in the year divided by three hundred and sixty-five (365) or three hundred and sixty-six (366), as the case may be.

4.4 Closing Fee

The Borrower shall pay to the Lender, a closing fee equal to $5,625 (the "Closing Fee") which shall be fully earned, non-refundable and payable on execution by the Borrower of this Agreement.

4.5 Issuance of Warrants

(a) As additional consideration for the advance by the Lender of the Loan, the Borrower shall issue to the Lender, 25,000 Warrants. The Warrants shall be delivered to the Lender in accordance with Section 5.2.

(b) In the event that the Borrower has not repaid the Loan and all accrued and unpaid interest thereon in full on or before the Maturity Date, then without in any way limiting any of the Lender's rights pursuant to this Agreement or at law (including without limitation the right to enforce on its security over the Collateral), the Borrower shall issue to the Lender, on the Business Day immediately following the Maturity Date, one additional Warrant (a "Default Warrant") for each $10 of the Loan and all accrued and unpaid interest thereon that is outstanding as of the Maturity Date. For greater certainty, the issuance of Default Warrants pursuant to this section shall not be considered a compromise or settlement of the Loan and shall in no way affect the Borrower's continued obligation to repay all principal and accrued interest under the Loan.

ARTICLE 5 - LOAN ADMINISTRATION

5.1 Disbursement of Loan

Subject to the provisions of this Agreement, the Lender shall advance the proceeds of the Loan to the Borrower on the Closing Date, in one instalment in the amount of $250,000.

5.2 Delivery of Warrants

The Borrower shall issue and deliver to the Lender on the Closing Date, 25,000 Warrants.

5.3 Payments to the Lender

All payments to be made by the Borrower to the Lender hereunder shall be made to the Lender by wire transfer in accordance with wire instructions given by the Lender to the Borrower from time to time or by such other method as may be agreed to by the parties from time to time.

ARTICLE 6 - SECURITY INTEREST AND COLLATERAL

6.1 Security Interest to the Lender

Without limiting any other provision hereof or of the Other Agreements, as security for the payment of Loan and all other amounts now or in the future advanced by the Lender to the Borrower hereunder and for the payment or other satisfaction of all other Liabilities, the Borrower does hereby grant to the Lender, and on the date of making the Loan the Lender shall continue to hold, a continuing (subject only to Permitted Liens) security interest in, Lien on and assignment of all of the present and after-acquired undertaking and Property of the Borrower, whether now or hereafter owned, existing, acquired or arising, tangible or intangible, real or personal, movable or immovable and wherever now or hereafter located.

6.2 Preservation of Collateral and Perfection of Security Interests Therein

The Borrower shall, at the Lender's request and at the Borrower's expense, at any time and from time to time, execute and deliver to the Lender such financing statements, documents and other agreements and instruments (and the Borrower shall pay the cost of filing or recording the same in all public offices deemed reasonably necessary or desirable by the Lender) and do such other acts and things as the Lender may deem necessary or desirable in order to establish and maintain a valid, attached and perfected security interest in the Collateral in favour of the Lender (free and clear of all other Liens except Permitted Liens) to secure payment of the Liabilities, and in order to facilitate the collection of the Collateral, effective upon the occurrence of an Event of Default, the Borrower irrevocably hereby constitutes and appoints the Lender (and all Persons designated by such Lender for that purpose) as the Borrower's true and lawful attorney and agent to execute such financing statements, documents and other agreements and instruments and do such other acts and things as may be necessary to preserve and perfect the security interest of the Lender in the Collateral to the extent that the Borrower does not do so after request by the Lender or after an Event of Default.

6.3 Possession of Collateral and Related Matters

Until an Event of Default has occurred, the Borrower shall have the right, except as otherwise provided in this Agreement, in the ordinary course of the Borrower's business, to:

(a) sell or furnish under contracts of supply or service any of the Borrower's Inventory normally held by the Borrower for any such purpose; and

(b) use and consume any raw materials, work in process or other materials normally held by the Borrower for such purpose;

provided however that a sale in the ordinary course of business shall not include any transfer or sale in satisfaction, partial or complete, of a debt owed by the Borrower, or a transfer, sale or other disposition to any Parent, Subsidiary, Affiliate or shareholder of the Borrower, or to any other Person in whom the Borrower holds any interest or any other related party, which is at a price or on terms more favourable to the recipient than would be given to an unrelated party.

6.4 Collections

(a) The Lender may, at any time and from time to time after the occurrence of an Event of Default which is continuing, whether before or after notification to any Account Debtor and whether before or after the maturity of any of the Liabilities:

(i) enforce collection of any of the Borrower's Accounts or contract rights by suit or otherwise;

(ii) exercise all of the Borrower's rights and remedies with respect to proceedings brought to collect any of the Borrower's Accounts;

(iii) surrender, release or exchange all or any part of any Accounts of the Borrower, or compromise or extend or renew for any period (whether or not longer than the original period) any indebtedness thereunder;

(iv) sell or assign any Account of the Borrower upon such terms, for such amount and at such time or times as the Lender deems advisable;

(v) prepare, file and sign any of the Borrower's names on any proof of claim in bankruptcy or other similar document against any Account Debtor indebted on an Account of the Borrower; and

(vi) do all other acts and things which are necessary, in the Lender's reasonable discretion, to fulfil the Borrower's obligations under this Agreement and the Other Agreements and to allow the Lender to collect the Accounts.

In addition to any other provision hereof, the Lender may at any time on or after the occurrence of an Event of Default which is continuing, at the Borrower's expense, notify any parties obligated on any of the Accounts of the Borrower to make payment directly to the Lender of any amounts due or to become due thereunder.

(b) The Lender shall, upon receipt by it of cash or other immediately available funds from collections of items of payment and proceeds of any Collateral, apply the whole or any part of such collections or proceeds against the Liabilities in such order as the Lender shall determine in its sole discretion, subject to the terms of this Agreement.

(c) In its sole credit judgment, without waiving or releasing any obligation, liability or duty of the Borrower under this Agreement or the Other Agreements or any Default, at any time or times hereafter, the Lender may (but shall not be obligated to) pay, acquire or accept an assignment of any security interest, hypothec, lien, encumbrance or claim asserted by any Person in, upon or against the Collateral. All sums paid by the Lender in respect thereof and all costs, fees and expenses (including, without limitation, legal fees and disbursements (on a solicitor-client basis) for both inside and outside counsel, all court costs and all other charges relating thereto) incurred by the Lender shall constitute Liabilities, payable by the Borrower on demand and, until paid, shall bear interest at the Interest Rate.

(d) After the occurrence of and during the continuance of an Event of Default immediately upon the Borrower's receipt of any portion of the Collateral consisting of an Instrument, Document of Title or Chattel Paper the Borrower shall, at the Lender's request, deliver the original thereof to the Lender together with an appropriate endorsement or other specific evidence of assignment thereof to the Lender (in form and substance acceptable to the Lender). If an endorsement or assignment of any such items shall not be made for any reason, the Lender is hereby irrevocably authorized, as the attorney and agent of the Borrower, to endorse or assign the same on such Person's behalf.

6.5 Further Security

The Borrower agrees to execute and deliver such additional and collateral security agreements, documents and assurances as may be requested from time to time by the Lender in order to give effect to the grant of security hereby. Without limitation, if and to the extent that the Borrower acquires any ownership, leasehold or other interest in real property, then the Borrower shall provide particulars to the Lender of such acquisition and, at the request of the Lender, shall provide such additional and collateral security charging such acquired interest as may be required by the Lender from time to time. The Borrower shall reimburse the Lender, on demand, for all reasonable costs, fees and expenses incurred by the Lender in this regard.

ARTICLE 7 - REPRESENTATIONS AND WARRANTIES

7.1 Representations and Warranties.

The Borrower hereby makes the following representations, warranties and covenants:

(a) the Borrower is duly incorporated, organized and in good standing in its jurisdiction of organization and is duly qualified and in good standing in all jurisdictions where the nature and extent of the business transacted by it or the ownership of its Property makes such qualification necessary (except for such jurisdictions in which the failure to so qualify would not have a Material Adverse Effect) and has all requisite power and authority to own or lease its property and to carry on its business.

(b) the Borrower has the right and power and is duly authorized and empowered to enter into, execute and deliver this Agreement and the Other Agreements to which it is a party and perform its or his respective obligations hereunder and thereunder; the Borrower's execution, delivery and performance of this Agreement and the Other Agreements to which it is a party does not and shall not:

   (i) conflict with, or constitute a violation or breach of or constitute a default under the provisions of any statute, law, regulation, ordinance, judgment or rule of law;

   (ii) conflict with, or constitute a violation or breach of or constitute a default, except where such conflict, violation, breach or default would not have a Material Adverse Effect, under any mortgage, indenture, lease, Lien, instrument, agreement, contract or other document which may now or hereafter be binding on the Borrower; or

   (iii) conflict with, or constitute a violation or breach of or constitute a default under the certificate or articles of incorporation, amendment, continuation or amalgamation, by-laws, resolutions or similar documents of the Borrower, any shareholders' agreement affecting the Borrower or its property (or declaration having like effect); and the Borrower's execution, delivery and performance of this Agreement and the Other Agreements to which it is a party shall not result in the imposition of any Lien upon any of its property under any existing indenture, mortgage, deed of trust, loan or credit agreement or other agreement or instrument by which the Borrower or any of their property may be bound or affected other than pursuant to the Security Agreements;

(c) this Agreement and the Other Agreements to which the Borrower is a party are legal, valid and binding obligations of the Borrower, and are enforceable against the Borrower in accordance with their respective terms, except to the extent that such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting the rights of creditors generally and general equitable principles;

(d) the Borrower has obtained and holds all applicable licenses, authorizations, approvals and permits, the lack of which would have a Material Adverse Effect, and the Borrower is and shall remain in compliance in all material respects with all applicable federal, provincial, state, local and foreign statutes, orders, regulations, rules and ordinances (including, without limitation, statutes, orders, regulations, rules and ordinances relating to taxes, employer and employee contributions and similar items, securities, employee retirement and welfare benefits, employee health and safety or environmental matters), the failure to comply with which could have a Material Adverse Effect;

(e) except as described in Schedule 7.1(e), to the best of the Borrower's knowledge after due inquiry, there are no actions, suits, counterclaims or proceedings which are pending or threatened against the Borrower which are likely to be adversely determined and if adversely determined would have a Material Adverse Effect, and the Borrower shall, promptly, upon becoming aware of any such pending or threatened action or proceeding, give written notice thereof to the Lender;

(f) the Borrower possesses, and shall continue to possess, adequate licenses, patents, patent applications, copyrights, service marks, trademarks, trademark applications, tradestyles and tradenames to continue to conduct its business as heretofore conducted by it;

(g) each of the Borrower's current and prior names, tradenames and division names are described on Schedule 7.1(g); the Borrower shall notify the Lender in writing at least thirty (30) days prior to the change of the Borrower's name or the use of any tradenames or division names not previously disclosed to the Lender in writing;

(h) except as described in Schedule 7.1(h), the Borrower is not in default under any material contract, lease or commitment to which it is a party or by which it is bound, except in respect of which waivers have been obtained, nor does the Borrower know of any dispute regarding any contract, lease or commitment which is material to its continued financial success and well-being. Without limiting the generality of the foregoing, the Borrower is not in arrears in respect of any material lease, rental or other payment due under any real (or immovable) property lease or to any warehousemen, bailee or similar Person;

(i) the Borrower is not conducting, permitting or suffering to be conducted, nor shall it conduct, permit or suffer to be conducted, any activities pursuant to or in connection with which any of the Collateral is now or will (while any Liabilities remain outstanding) be owned by a Person different from the owner thereof on the date hereof;

(j) the provisions of the Security Agreements, when executed and delivered shall, create legal and valid Liens on all of the Collateral in favour of the Lender and, when all proper filings, recordings, and other actions necessary to perfect such Liens have been made or taken by or on behalf of the Lender, such Liens will constitute perfected, duly registered, and continuing Liens on all the Collateral having priority over all other Liens on the Collateral (except Permitted Liens) and all claims of other creditors, securing all of the Liabilities and enforceable against the Borrower and all third parties in accordance with their terms;

(k) no security agreement, financing statement or analogous instrument exists as at the Closing Date or shall exist thereafter with respect to any of the Collateral other than any security agreement, financing statement or analogous instrument evidencing Permitted Liens;

(l) the Borrower is and shall at all times during the term of this Agreement be the lawful owner of all Collateral now purportedly owned or hereafter purportedly acquired by it, free from all Liens, whether voluntarily or involuntarily created and whether or not perfected, other than Permitted Liens;

(m) the financial statements delivered or to be delivered to the Lender at or prior to the date of this Agreement and at all times subsequent thereto reflect in all material respects the financial condition of the Borrower and since the date such financial statements were most recently delivered to the Lender prior to the date of this Agreement, no event or condition has occurred, other than events applicable to the hog industry and/or hog markets generally, which would have, a Material Adverse Effect;

(n) the Borrower is not obligated, whether directly or indirectly, for any loans or other indebtedness or liability (contingent or otherwise) other than:

    (i) the Liabilities;

    (ii) the Security Agreements;

    (iii) debt pursuant to the Senior Credit Agreement;

    (iv) the indebtedness disclosed to the Lender on Schedule 7.1(n);

    (v) unsecured indebtedness to trade creditors arising in the ordinary course of the Borrower's business;

    (vi) unsecured indebtedness arising from the endorsement of drafts and other instruments for collection, in the ordinary course of the Borrower's business; and

    (vii) other indebtedness permitted under subsection of Section 9.1(i);

the Borrower is not in arrears (except as disclosed in Schedules 7.1(h) and(n)) in payment of any amount to any governmental body or agency including, without limitation, amounts owing or to be remitted with respect to employee withholdings for income tax, unemployment insurance contributions, goods and services tax or provincial sales taxes.

(o) the Borrower is solvent, is able to pay its debts as they become due and has capital sufficient to carry on its business; the Borrower now owns Property having a value both at fair valuation and at present fair saleable value greater than the amount required to pay its debts, and will not be rendered insolvent by the execution and delivery of this Agreement or any of the Other Agreements to which it is a party or by completion of the transactions contemplated hereunder or thereunder including, without limitation, the making and incurring of the Loan;

(p) the offices where the Borrower keeps its respective books, records and accounts (or copies thereof) concerning the Collateral, the Borrower's principal place of business and all of the Borrower's other places of business, locations of Collateral and post office boxes are as set forth in Exhibit A. The Borrower shall promptly (but in no event less than ten (10) days prior thereto) advise the Lender in writing of the proposed opening of any new place of business of the Borrower, the closing of any existing place of business of the Borrower, any change in the location of the Borrowers' books, records and accounts (or copies thereof) or the opening or closing of any post office box of the Borrower;

(q) the Collateral is and shall be kept, or, in the case of vehicles, based, only at the addresses set forth on the first page of this Agreement or on Exhibit A; Exhibit A hereto contains a correct and complete list of all real or immovable property owned by the Borrower, all leases and subleases of real or immovable property by the Borrower, as lessee or sublessee, and all leases and subleases of real or immovable property by the Borrower as lessor or sublessor; and each of such leases or subleases is valid and enforceable in accordance with its terms and is in full force and effect, and no default by the Borrower, or to the knowledge of the Borrower, by any other party to such leases or subleases exists;

(r) if any of the Collateral consists of goods of a type normally used in more than one jurisdiction, whether or not actually so used, the Borrower shall immediately give written notice to the Lender of any use of any such goods in any jurisdiction other than a jurisdiction in which the Borrower has previously advised the Lender such goods shall be used, and such goods shall not, unless the Lender shall otherwise consent in writing, be used outside of such jurisdiction so advised;

(s) with respect to the Borrower's Equipment:

(i) the Borrower has good and indefeasible and merchantable title to and ownership of all Equipment free and clear of all Liens except for Permitted Liens; the Borrower shall keep and maintain its Equipment in good operating condition and repair;

(ii) the Borrower has not permitted and the Borrower shall not permit any Equipment to become a fixture to real or immovable property or an accession to other personal or immovable property, except to the extent that any such item has become a fixture to real or immovable property or an accession to other personal or movable property by operation of law without first assuring that the Lender's Liens on any such item are prior to any interest or Lien then held or thereafter acquired by any mortgagee or hypothecary creditor of such real or immovable property (other than the Senior Operating Lender, the holders of other Permitted Liens and the Lender, as applicable) or the owner or purchaser of any interest in such real or immovable property or the owner or purchaser of any such accession;

(t) except as provided on Schedule 7.1(t):

(i) there is no collective bargaining agreement or other labour contract covering employees of the Borrower;

(ii) there is no pending or, to the best of the Borrower's knowledge, threatened strike, work stoppage, material unfair labour practice claims, or other material labour dispute against or affecting the Borrower or its employees;

(iii) there are no controversies pending or threatened between the Borrower and any of its employees, other than employee grievances arising in the ordinary course of business which are not, in the aggregate, material to the continued financial success and well-being of the Borrower; and

(iv) the Borrower is in compliance in all material respects with all federal, provincial and local laws respecting employment and employment terms, conditions and practices, including without limitation laws regarding the funding and maintenance of pension and employee benefit plans, except where the failure to so comply would not have a Material Adverse Effect;

(v) the Borrower has filed all tax returns and other reports which it was required by law to file on or prior to the date hereof, and has paid all taxes, assessments, fees, and other governmental charges, and penalties and interest, if any, against it or its Property, income or franchise, that are due and payable. Each income tax return was accurate in all material respects;

(u) since April 5, 2008, no event has occurred (other than events applicable to the hog industry and/or hog markets generally) which has had or could reasonably be expected to have a Material Adverse Effect;

(v) no Default has occurred and is continuing;

(w) all written information now, heretofore or hereafter furnished by the Borrower to the Lender or its representatives is and shall be true, correct and complete in all material respects as of the date with respect to which such information was or is furnished (except for financial projections, which have been prepared in good faith based upon reasonable assumptions);

(x) the representations, warranties and statements of fact contained herein do not omit to state any material fact necessary to make any such statement or representation, warranty not misleading to a prospective lender to the Borrower or purchaser of equity shares of the Borrower seeking full information as to the Borrower.

7.2 Borrower's Right to Dispose Certain Property

Nothing in this Credit Agreement or the Other Agreements shall restrict the Borrower from selling or disposing of inventory and obsolete or redundant Equipment in the ordinary course of business or from selling or otherwise disposing surplus real property, comprised of farmland without barns, feedmills or other material structures or erections located thereon, that is not and will not be required for or used in connection with the Borrower's business operations where and to the extent that such dispositions are permitted under the Senior Credit Agreement.

7.3 Survival of Representations, Warranties and Covenants

The Borrower represents, warrants and covenants that all representations, warranties and covenants of the Borrower contained in this Agreement (whether appearing in ARTICLE 7 and ARTICLE 9 hereof or elsewhere) shall be true, correct and complete at the time of the Borrower's execution of this Agreement, shall survive the execution, delivery and acceptance hereof by the parties hereto and the closing of the transactions described herein or related hereto, and shall, except for representations and warranties that relate solely to an earlier date, remain true, correct and complete until the repayment in full of all of the Liabilities and termination of this Agreement.

ARTICLE 8 - SCHEDULES AND REPORTS

8.1 Financial Information

The Borrower shall deliver to the Lender the following financial information, all of which shall be prepared in accordance with GAAP consistently applied:

(a) no later than twenty (20) days after the end of each four week financial reporting period, copies of internally prepared financial statements of the Borrower, on a four week and year-to-date basis including, without limitation, balance sheets and statements of income, retained earnings and cash flow of the Borrower, certified by the president and the chief financial officer of the Borrower;

(b) no later than ninety (90) days after the end of the Borrower's fiscal year, annual consolidated financial statements of the Borrower audited by independent chartered accountants selected by the Borrower, satisfactory to the Lender, and including such accountants' report thereon to management if such is made; and

(c) no later than thirty (30) days prior to the fiscal year end of the Borrower in each year, an annual monthly consolidated budget, including cash flow projections, projected income statements and balance sheet, in all cases with detail satisfactory to the Lender.

8.2 Compliance Certificate

With each financial statement delivered pursuant to Sections 8.1(a) and 8.1(b) above, the Borrower shall deliver to the Lender a certificate substantially in the form of Schedule 8.2 hereto, of the president and the chief financial officer of the Borrower stating that, except as explained in reasonable detail in such certificate:

(a) all of the representations and warranties of the Borrower contained in this Agreement and of the Borrower in the Other Agreements are true, correct and complete as of the date of such certificate as if made at such time;

(b) at the date of such certificate, the Borrower is in compliance with all of its covenants and agreements in this Agreement and the Other Agreements; and

(c) no Default then exists or existed during the period covered by such financial statements.

If such certificate discloses that a representation or warranty is not correct or complete, or that a covenant has not been complied with, or that a Default existed or exists, such certificate shall set forth what action the Borrower has taken or proposes to take with respect thereto. If an auditor, regulator or third party consultant has issued a management letter or other communication, the Borrower shall concurrently provide a copy to the Lender.

8.3 Other Matters

At such times as may be requested by the Lender from time to time hereafter, the Borrower shall deliver to the Lender (a) such additional schedules, certificates, reports and information with respect to the Collateral as the Lender may from time to time reasonably require and (b) a collateral assignment of any or all items of Collateral to the Lender or as the Lender shall direct. All schedules, certificates, reports and assignments and other items delivered by the Borrower to the Lender hereunder shall be executed by an authorized representative of the Borrower, and shall be in such form and contain such information as the Lender shall in its sole discretion request.

ARTICLE 9 - COVENANTS

9.1 Covenants

Until payment or satisfaction in full of all Liabilities and termination of this Agreement, unless the Borrower obtains the prior written consent of the Lender waiving or modifying any covenants hereunder in any specific instance, the Borrower covenants and agrees as follows:

(a) The Borrower shall at all times keep accurate and complete books, records and accounts with respect to all of its business activities, in accordance with sound accounting practices and GAAP consistently applied, and shall keep such books, records and accounts, and any copies thereof, only at the addresses indicated for such purpose on Exhibit A.

(b) The Borrower shall promptly advise the Lender in writing of any Material Adverse Effect or the occurrence of any Default.

(c) The Borrower shall keep the Collateral properly housed and insured against such risks (including, without limitation, business interruption) and in such amounts as are customarily insured against by Persons engaged in businesses similar to that of the Borrower with such companies, in such amounts and under policies in such form as shall be reasonably satisfactory to the Lender.

(d) The Borrower shall maintain, at its expense, such public liability and third party property damage insurance as is customary for Persons engaged in businesses similar to that of the Borrower with such companies and in such amounts, with such deductibles and under policies in such form as shall be reasonably satisfactory to the Lender.

(e) If the Borrower at any time or times hereafter fails to obtain or maintain any of the policies of insurance required above or to pay any premium in whole or in part relating thereto, then the Lender, without waiving or releasing any obligation or default by the Borrower hereunder, may (but shall be under no obligation to) obtain and maintain such policies of insurance and pay such premiums and take such other actions with respect thereto as the Lender, in its sole discretion, deems advisable. All sums disbursed by the Lender in connection with any such actions, including, without limitation, court costs, expenses, other charges relating thereto and legal fees and disbursements (on a solicitor-client basis), shall constitute Liabilities hereunder and, until paid, shall bear interest at the Interest Rate.

(f) The Borrower shall not use the Collateral, or any part thereof, in any unlawful business or for any unlawful purpose or use or maintain any of the Collateral in any manner that does or could result in material damage to the environment or a violation of any applicable Environmental Laws; the Borrower shall keep the Collateral in good condition, repair and order, ordinary wear and tear excepted; the Borrower shall not permit the Collateral, or any part thereof, to be levied upon under execution, attachment, distraint or other legal process; the Borrower shall not sell, lease, grant a security interest in or otherwise dispose of any of the Collateral except as expressly permitted by this Agreement; the Borrower shall not secrete or abandon any of the Collateral, or remove or permit removal of any of the Collateral from any of the locations listed on Exhibit A, except for the removal of the Borrower's Inventory sold in the ordinary course of the Borrower's business as permitted herein and except for the removal of the Borrower's Equipment in the ordinary course of business or if the purpose of such removal or sales permitted hereunder is the repair or replacement of any such Equipment which requires repair.

(g) The Loan will be used by the Borrower only for the purposes of financing the day to day working capital requirements of the Borrower or for the repayment of Senior Operating Credit Facilities.

(h) The Borrower shall file all required tax returns and pay all of its taxes when due, including, without limitation, taxes imposed by federal, provincial, state or municipal agencies.

(i) The Borrower shall not without the prior written consent of the Lender:

(i) incur, create, assume or suffer to exist any indebtedness, and will not permit any of its consolidated subsidiaries to incur, create, assume or suffer to exist any indebtedness, in any case other than:

(A) indebtedness arising under this Agreement;

(B) unsecured indebtedness owing in the ordinary course of business to trade suppliers;

(C) any other indebtedness described in Schedule 7.1(n) hereof, subject to all other applicable limitations set out in this Agreement;

(D) any indebtedness permitted under subsection (v) of the definition of "Permitted Liens", subject to all other applicable limitations set out in this Agreement and without duplicating Section 9.1(i)(i)(C);

(E) the principal amount owing under the Senior Operating Credit Facilities or the principal amount of any refinancing thereof on terms acceptable to the Lender, the aggregate outstanding amount of which does not at any time exceed $100,000,000 in the aggregate, plus (aa) the aggregate "Market Value" (as defined in the Senior Credit Agreement) of all Other Secured Obligations (as defined in the Senior Credit Agreement) that are "Swaps" (as defined in the Senior Credit Agreement) that have a negative Market Value from the Borrower's perspective, i.e. the Borrower is "out of the money", and (bb) any interest, fees, commissions, costs, expenses and other like amounts owing under or in connection with the Senior Credit Agreement; and

(F) reimbursement or indemnification obligations arising in respect of trade letters of credit and performance bonds not exceeding at any time $6,500,000 in the aggregate;

(ii) except where the Lender has given its prior written approval, assume, guarantee or endorse, or otherwise become liable in connection with, the obligations of any Person, except by endorsement of instruments for deposit or collection or similar transactions in the ordinary course of business;

(j) The Borrower shall not, in one or a series of transactions, carry on business with or through any other Person, enter into any merger, amalgamation, reorganization or consolidation, or sell, lease or otherwise dispose of all or any part of its Property, except sales of Equipment as permitted hereunder or sales of Inventory in the ordinary course of business or as otherwise expressly permitted hereby, or wind-up, liquidate, dissolve or cease to carry on business or agree to do any of the foregoing; the Borrower shall not create any new subsidiary; the Borrower shall not enter into any transaction outside the ordinary course of its business and the Borrower shall not engage, directly or indirectly, in any line of business other than the businesses in which it is engaged on the Closing Date.

(k) The Borrower shall not make any distribution of funds or property, including without limitation, the declaration or payment of any dividend or other distribution (whether in cash or in kind) on, purchase, redeem or retirement of any shares of any class of its stock or make any payment on account of, or set apart Property for the repurchase, redemption, defeasance or retirement of, any class of its stock, or pay any amount to any of its officers, directors or employees by way of fees, directors fees, dividends or otherwise, save and except for such compensation payable in the ordinary course to directors, officers and employees of the Corporation under or related to employment contracts, directors' compensation policies or similar arrangements in effect as of the date of this Agreement as previously disclosed to the Lender.

(l) The Borrower shall not make any loans to, or investments in any Person, whether in cash, securities or other property of any kind, other than (i) investments that are direct obligations of the governments of Canada or any province thereof or the U.S. or any instrumentality thereof and, subject to the rights of the Senior Operating Lender under the Senior Credit Agreement, and, if applicable, the holders of the other Permitted Liens, pledged and delivered to the Lender pursuant to documentation satisfactory to the Lender in its sole discretion, and (ii) loans to, or investments in Affiliates, provided the same are on terms no less favourable to the Borrower than would have been available had such transaction occurred on an arm's length basis and approved by the Lender; subject in each case to the limitation that no such Loan or investment shall be made if a Default has occurred or is continuing or would result therefrom.

(m) The Borrower shall not amend its organizational documents or change its fiscal year, without the prior written consent of the Lender.

(n) The Borrower shall reimburse the Lender for all reasonable costs and expenses including, without limitation, consultant's fees and expenses, legal expenses and legal fees, incurred by the Lender in connection with the documentation and consummation of this transaction (whether or not this transaction is consummated), including, without limitation, security and other public record searches, lien filings, express mail or similar express or messenger delivery, due diligence costs and expenses, appraisal costs, surveys, title insurance and environmental audits or review costs, and in seeking to collect, protect or enforce any rights in or to the Collateral or incurred by the Lender in seeking to collect any Liabilities and to administer and enforce any of their rights under this Agreement. The Borrower shall also pay all normal service charges with respect to accounts, if any, maintained by the Lender for the benefit of the Borrower. All such costs, expenses and charges shall constitute Liabilities hereunder, shall be payable by the Borrower to the Lender on demand and, until paid, shall bear interest at the Interest Rate.

(o) The Borrower shall maintain its corporate existence and its qualifications and good standing in all jurisdictions necessary to conduct its business and own its Property, shall obtain and maintain all licenses, permits, franchises and governmental authorizations necessary to conduct its businesses and own its Properties, and shall properly maintain all of its books, records and accounts in accordance with GAAP.

(p) The Borrower shall comply in all material respects with the terms and provisions of each judgment, law, statute, rule, and governmental regulation applicable to it, and each material contract, mortgage, lien, lease, indenture, order, instrument, agreement or document to which it is a party or by which it is bound.

(q) The Borrower shall not enter into any transaction which materially and adversely affects the Collateral or the Borrower's ability to repay the Liabilities, or the Borrower's ability to perform its obligations under this Agreement and the Other Agreements, or otherwise causes, permits or suffers to occur or continue any material adverse change in the Borrower's condition (financial or otherwise), its ability to perform its obligations hereunder or in the Collateral.

(r) The Borrower shall not (A) create, incur or assume any Lien on any Property now owned or hereafter acquired by it, except Permitted Liens or (B) permit to exist any Lien on any Property now owned or hereafter acquired by it, except Permitted Liens.

(s) The Borrower shall execute and deliver, or cause to be executed and delivered, to the Lender such documents and agreements, and such additional instruments of security, and shall take or cause to be taken, or do or cause to be done, such actions and things, as the Lender may, from time to time, request to carry out the terms and conditions of this Agreement and the Other Agreements, and in order to better register, perfect and protect the priority over all other Liens of the security interests and hypothecs granted by the Borrower to the Lender.

(t) The Borrower shall deliver to the Lender no later than seven (7) days after the receipt of a notice of non-compliance, violation or contravention from any governmental or regulatory authority with respect to the activities carried on by the Borrower or as to any other matter whatsoever, a copy of the notice and a written action plan to remedy same.

ARTICLE 10 - CONDITIONS PRECEDENT

10.1 Conditions Precedent to Initial Advance

The obligations of the Lender to fund the initial advance of the Loan proceeds is subject to the satisfaction or waiver on or before the Closing Date of the following conditions precedent:

(a) The Lender shall have received on or before the Closing Date (in sufficient number as the Lender shall require), and shall continue to hold, in form and substance satisfactory to it in its absolute discretion, the following, duly executed by each party thereto:

(i) this Agreement;

(ii) certified copies of the articles of incorporation of the Borrower, its borrowing by-laws and resolutions of its board of directors authorizing the execution, delivery and performance of (as the case may be) this Agreement and the Other Agreements to which it is a party;

(iii) the favourable opinions of the Borrowers' counsel, addressed to the Lender and its counsel, such opinions to speak to such matters as the status and formation of the Borrower and qualification to carry on business in each jurisdiction where each does so, the due authorization, execution, delivery and enforceability in accordance with their terms of this Agreement and all Other Agreements, the making of all filings and recordings necessary or appropriate in all jurisdictions in respect of the security interests and hypothecs granted to the Lender;

(iv) the Lender's customary agreements and all documents, instruments, financial statements, consents, evidences of corporate authority, certificates, insurance certificates, opinions of legal counsel and such other writings and agreements to confirm and effectuate the lending transactions and the matters referred to herein as may be required by the Lender and its counsel, all duly executed and/or delivered by the Borrower or such other Person as may be required in the circumstances;

(v) payment of all fees and expenses required to be paid by the Borrower pursuant to the terms hereof; and

(vi) each of the other documents set forth on the closing document list prepared by counsel to the Lender;

(b) Completion by the Lender of its review of, and satisfaction on its part, in its sole discretion, with:

(i) the management prepared consolidated financial statements of the Borrower (including predecessor entities of the Borrower) for the period ended April 5, 2008; and

(ii) the Borrower prepared profit and loss and cash flow projections on a month-by-month basis for the first year after the Closing Date and on an annual basis for the second and third years after the Closing Date.

(c) Since April 5, 2008 no event shall have occurred which has had or could reasonably be expected to have a Material Adverse Effect as determined by the Lender in its sole discretion. No material adverse change in the Lender's understanding of the facts and information presented to it by the Borrower or others on the Borrower's behalf has occurred and no material litigation or claims (in the reasonable judgment of the Lender) with respect to any aspect of the Borrower's business or Property shall have occurred, or shall be pending or threatened, that could or would affect the ability of the Borrower to perform its respective obligations under this Agreement and the agreements contemplated hereby.

(d) The Lender shall have received payment in full of all billed fees and expenses of the Lender and its counsel, on or before the Closing Date.

(e) The Lender shall have reviewed and shall be satisfied with the terms of the agreements and arrangements relating to the Senior Operating Credit Facilities.

(f) All registrations and filings in respect of this Agreement and the Other Agreements shall have been made in all jurisdictions as the Lender and their counsel shall determine to be necessary or appropriate (at the expense of the Borrower), it being understood and agreed that the Lender shall be entitled to make (at the expense of the Borrower) all such further registrations and filings in respect of this Agreement and the Other Agreements, after the Closing Date, and until all Liabilities have been paid and performed in full, as the Lender shall consider necessary or appropriate in its discretion, acting reasonably.

(g) The Lender shall have reviewed and shall be satisfied, in all material respects, with the insurance policies maintained by the Borrower.

(h) The Lender, acting reasonably, shall be satisfied with the results of all searches and enquires conducted in respect of the Borrower and its Property as the Lender's counsel may reasonably require, and such estoppel letters (to confirm the amounts secured by any existing encumbrances and the collateral covered thereby) shall be received by the Lender as may be required by the Lender in its discretion.

(i) The Lender shall have completed all due diligence which it considers necessary or appropriate in its discretion in regard to the Borrower and its Property, books and records, operations, prospects and condition (financial or otherwise), including, without limitation, with respect to the Borrower, in regard to past and ongoing compliance with laws (including Environmental Laws), union and labour relations and pension matters, and the Lender shall be satisfied in its discretion that the Borrower is adequately capitalized, the fair, saleable value of its Property exceeds its liabilities at the Closing Date, and that the Borrower has sufficient working capital to pay its debts as they become due, and the Lender shall have received such documentation it considers necessary or appropriate in its discretion in regard to the foregoing matters, including, without limitation, compliance with Environmental Laws.

(j) The Borrower shall have secured a \$2,500,000 loan from Investment Saskatchewan Inc. and a \$250,000 loan from FCC Ventures, a division of Farm Credit Canada, all on substantially the same terms as set out herein and all conditions to the advance of such loans shall have been satisfied or waived.

10.2 Conditions Precedent to All Advances

The obligations of the Lender to fund any advance of the Loan proceeds is subject to the satisfaction or waiver of the following conditions precedent:

(a) the Lender shall have received a duly executed Warrant evidencing the Warrants to be issued pursuant to Sections 4.5(a) and 5.2.

(b) All necessary legislative, regulatory, governmental, and other third party approvals, notices, consents and permits including those necessary to grant and perform this Agreement and the Other Agreements and carry on the Borrower's business shall have been given and obtained by the Borrower, such approvals, notices, consents and permits not to contain any terms or conditions which the Lender, in its sole discretion, consider to be materially adverse to the Borrower, and evidence thereof shall have been furnished to the Lender.

(c) No order, judgment or decree of any court, arbitrator or governmental authority shall purport by its terms to enjoin or restrain the Lender from providing the Loan, and no law, rule, regulation, request or directive (whether or not having the force of law) shall prohibit or request that the Lender refrain from providing the Loan.

(d) The Lender shall be satisfied that no Default shall have occurred on or be continuing or would result from the making of the advance of the Loan proceeds.

(e) The Borrower shall have executed or caused to be executed and delivered to the Lender all documents which the Lender determines in its absolute discretion are necessary to consummate the transactions contemplated hereby.

(f) The Lender shall be satisfied that the representations, warranties and covenants of the Borrower contained in this Agreement shall be true and correct on the date of such advance.

(g) The Lender shall be satisfied that no Material Adverse Effect has occurred.

ARTICLE 11 - DEFAULT

11.1 Events of Default

The occurrence of any one or more of the following events shall constitute an "Event of Default" hereunder:

(a) the failure of the Borrower to pay when due, declared due or demanded in accordance with the terms hereof any of the Liabilities;

(b) the failure of the Borrower to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations (other than as described in Section 11.1(a)) of the Borrower under this Agreement or the Borrower under the Other Agreements to which it is a party; provided that no Event of Default under this Section 11.1(b) will occur if the failure to comply was not intentional, is capable of remedy and is diligently remedied within ten (10) days of the Borrower becoming aware of the failure to comply;

(c) the making or furnishing by the Borrower or any director or officer thereof to the Lender of any representation, warranty, certificate, schedule, report or other communication within or in connection with this Agreement or the Other Agreements or in connection with any other agreement between the Borrower and the Lender, which is untrue or misleading in any material respect when made;

(d) the creation (whether voluntary or involuntary) of, or any attempt to create, any Lien upon any of the Collateral, other than the Permitted Liens; or the making of any levy, seizure, attachment, or power of sale or foreclosure, on or with respect to any

Collateral; or (except as permitted hereby) any sale, lease, or furnishing under a contract of service of, any of the Collateral;

(e) the making of an assignment or proposal in bankruptcy by the Borrower or the filing by the Borrower of notice of its intention to make a proposal in bankruptcy or the commencement of any proceedings by or against the Borrower for the liquidation or reorganization of the Borrower or alleging the insolvency of the Borrower or if an act of bankruptcy has occurred or that the Borrower cannot pay its debts as they mature or the commencement of any proceedings for the readjustment or arrangement of the Borrower's debts, whether under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the United States Bankruptcy Code or under any other law, whether state, provincial or federal, now or hereafter existing, for the relief of debtors, or the commencement of any analogous statutory or non-statutory proceedings involving the Borrower and, if brought against the Borrower, such proceeding is not being contested in good faith by appropriate proceedings, as determined by the Lender, acting reasonably, or, if so contested, remains outstanding, undismissed and unstayed more than five (5) days from the institution of such first mentioned proceedings;

(f) the appointment of a receiver, receiver and manager, trustee, liquidator, administrator, sequestrator, custodian, monitor or similar official for the Borrower, for any of the Collateral or for any substantial part of the Borrower's Property, or the institution of any proceedings for the dissolution or winding-up, or the full or partial liquidation, or the merger, amalgamation or consolidation, of the Borrower which is a corporation or a partnership and, if brought against the Borrower, such proceeding is not being contested in good faith by appropriate proceedings, as determined by the Lender, acting reasonably, or, if so contested, remains outstanding, undismissed and unstayed more than five (5) days from the institution of such first mentioned proceedings;

(g) the entry of any judgment or order is issued or levied against the Borrower or its property involving liability in excess of five hundred thousand Canadian dollars (Cdn. $500,000);

(h) all or any material part of the Property of the Borrower shall be nationalized, expropriated or condemned, seized or otherwise appropriated, or custody or control of such Property of the Borrower shall be assumed by any governmental or regulatory authority or any court of competent jurisdiction at the instance of any governmental or regulatory authority, except where contested in good faith by proper proceedings diligently pursued where a stay of enforcement is in effect;

(i) any loss, theft, damage or destruction of any item or items of Collateral occurs which:

   (i) materially and adversely affects the operation of the Borrower's business on a consolidated basis; or

   (ii) is material in amount and is not adequately covered by insurance;

(j) the occurrence of a Default or Event of Default (each term as defined in the Senior Credit Agreement) after the date hereof, which continues after the passage of any cure period under the Senior Credit Agreement;

(k) the occurrence of any default under one or more agreements or instruments relating to its indebtedness other than the Liabilities or the Senior Operating Credit Facilities or if the Borrower permits any other event to occur and to continue without being waived or cured after any applicable grace period specified in such agreements or instruments, if the effect of one or more of such events is to accelerate, or to permit (in accordance with any applicable inter-creditor and subordination arrangements) the acceleration of the date on which such indebtedness in an aggregate amount of $500,000 or more becomes due (whether or not acceleration actually occurs); or

(l) the occurrence of any event or condition (including, without limitation, any change in the operation of business or senior management of the Borrower) which has or is reasonably likely to have a Material Adverse Effect, as determined by the Lender in its reasonable discretion.

ARTICLE 12 - REMEDIES

12.1 Remedies

(a) Upon the occurrence of an Event of Default described in Section 11.1(e), the Loan shall immediately and automatically become due and payable, without demand, notice or legal process of any kind. Upon the occurrence of any Event of Default other than as described in Section 11.1(e), all of the Liabilities may, at the option of the Lender, be declared by the Lender to be immediately due and payable, upon which declaration all such Liabilities shall immediately become due and payable without demand, notice or legal process of any kind. Upon any such occurrence, the Lender may, in addition to any other right or remedy which it may have at law or in equity, proceed to realize its security hereunder and to enforce its rights by:

(i) entry onto any premise where the Collateral may be located;

(ii) the appointment by instrument in writing of a receiver or receivers of the Collateral or any part thereof (which receiver or receivers may be any person or persons, whether an officer or officers or employee or employees of the Lender or not and the Lender may remove any receiver or receivers so appointed and appoint another or others in his or their stead);

(iii) proceedings in any court of competent jurisdiction for the appointment of a receiver or receivers or for sale of the Collateral or any part thereof; or

(iv) any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity.

(b) In addition, the Lender may file such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings.

(c) Any receiver or receivers so appointed shall have power to:

(i) take possession of and to use the Collateral of any part thereof;

(ii) carry on the business of the Borrower (including, but not limited to, the taking or defending of any actions or legal proceedings, and the doing or refraining from doing all other things as to the receiver may deem necessary or desirable in connection with the business, operations and affairs of the Borrower);

(iii) borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof or the carrying on of the business of the Borrower;

(iv) further charge the Collateral in priority to the security interests of the Security Agreements as security for money so borrowed; and

(v) sell, lease or otherwise dispose of the whole or any part of the Collateral on such terms and conditions and in such manner as the receiver shall determine.

(d) The Lender shall not be responsible for any actions or errors of omission by the receiver or receivers in exercising any such powers.

(e) In addition, the Lender may enter upon, use, occupy and possess the Collateral or any part thereof, free from all encumbrances, Liens and charges, except for Permitted Liens, without hindrance, interruption or denial of the same by the Borrower or by any other person or persons, and may lease or sell the whole or any part or parts of the Collateral. Any sale hereunder may be made by public auction, by public tender or by private contract, with or without notice and with or without advertising and without any other formality (except as required by law), all of which are hereby waived by the Borrower. Such sale shall be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as to the Lender, in its sole discretion, may seem advantageous. Such sale may take place whether or not the Lender has taken possession of the Collateral.

(f) No remedy for the realization of the security interests granted to the Lender or for the enforcement of the rights of the Lender shall be exclusive of or dependent on any other such remedy, but any one or more of such remedies may from time to time be exercised independently or in combination. Any failure by the Lender to exercise any right or remedy set out in this Agreement or the Other Agreements shall not constitute a waiver thereof. The term "receiver" as used in this Agreement includes a receiver and manager.

(g) At the Lender's request, the Borrower shall, at the Borrower's expense, assemble the Collateral and make it available to the Lender at one or more places to be designated by the Lender and reasonably convenient to the Lender. The Borrower recognizes that if it fails to perform, observe or discharge any of its obligations under this Agreement or the Other Agreements, no remedy at law will provide adequate relief to the Lender, and the Borrower agrees that the Lender shall be entitled to temporary and permanent injunctive relief in any such case without the necessity of proving actual damages. Without limiting any of the Lender's rights to provide any lesser period of notice to the extent permitted by applicable law, any notification of intended disposition of any of the Collateral required by law will be deemed reasonably and properly given if given at least fifteen (15) calendar days before such disposition. Any proceeds of any disposition by the Lender of any of the Collateral may be applied by the Lender to the payment of expenses and any borrowings in connection with the Collateral and its realization including, without limitation, legal fees and disbursements (on a solicitor-client basis) (both in-house and outside counsel) and any balance of such proceeds may be applied by the Lender toward the payment of such of the Liabilities, and in such order of application, as the Lender may from time to time elect or re-elect in its sole discretion.

ARTICLE 13 - INDEMNIFICATION, ETC.

13.1 General Indemnity

The Borrower agrees to indemnify and hold harmless the Lender, and each of its Affiliates, and Subsidiaries, and its respective officers, directors, employees, legal counsel and agents (each an "Indemnified Party") from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature (including, without limitation, the disbursements and the fees (on a solicitor-client basis) of legal counsel for each Indemnified Party (collectively, "Losses") which may be imposed on, incurred by, or asserted against, any Indemnified Party (whether direct, indirect or consequential and whether based on any federal, provincial, state or local laws or regulations, including, without limitation, securities, environmental and commercial laws and regulations, under common law or in equity, or based on contract or otherwise) in any manner relating to or arising out of this Agreement or any Other Agreement, or any act, event or transaction related or attendant thereto, the making and/or the management of the Loan or the use or intended use of the proceeds of the Loan; provided, however that the Borrower shall have no obligation hereunder to any Indemnified Party to the extent that such Losses were caused by or resulted from the misconduct or negligence of such Indemnified Party. To the extent that the undertaking to indemnify set forth in the preceding sentence may be unenforceable against the Borrower because it violates any law or public policy, the Borrower shall satisfy such undertaking to the maximum extent permitted by applicable law. Any Losses covered by this indemnity shall be paid to each Indemnified Party on demand, and, failing prompt payment, shall, together with interest thereon at the Interest Rate from the date incurred by each Indemnified Party until paid in full, be added to the Liabilities and be secured by the Collateral. The provisions of this Section 13.1 shall survive the satisfaction and payment of all Liabilities and the termination of this Agreement.

13.2 Taxes

All payments made by the Borrower under this Agreement and the Other Agreements shall be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, assessments, imposts, deductions, charges, or withholdings imposed by any foreign, federal, provincial, state, local or other jurisdiction or any governmental agency thereof or political subdivision or taxing authority therein, excluding taxes imposed on the net income or capital of the Lender by any jurisdiction in which it carries on business (all such non-excluded taxes being hereinafter called "Taxes"). If any Taxes are required to be withheld from any amounts so payable to the Lender hereunder or under any Other Agreements the amounts so payable shall be increased to the extent necessary to yield to the recipient (after payment of all Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement or Other Agreement. If the Borrower is required by law to make any deduction or withholding on account of any Taxes or other amount from any sum paid or expressed to be payable to either Lender under this Agreement or any Other Agreement, then: (A) the Borrower shall notify such Lender of any such requirement or any change in any such requirement as soon as the Borrower becomes aware of it; (B) the Borrower shall pay any such Taxes or other amount before the date on which penalties attached thereto become due and payable; (C) the sum payable by the Borrower in respect of which the relevant deduction, withholding or payment is required shall be increased to the extent necessary to ensure that, after the making of that deduction, withholding or payment, the recipient receives on the due date and retains (free from any liability in respect of any such deduction, withholding or payment) a sum equal to that which it would have received and so retained had no such deduction, withholding or payment been required or made; and (D) within thirty (30) days after payment of any sum from which the Borrower is required by law to make any deduction or withholding, and within thirty (30) days after the due date of payment of any Taxes or other amount which it is required by clause (B) above to pay, it shall deliver to such Lender all such certified documents and other evidence as to the making of such deduction, withholding or payment as (1) are reasonably satisfactory to such Lender as proof of such deduction, withholding or payment and of the remittance thereof to the relevant taxing or other authority and (2) are reasonably required by such Lender to enable it to claim a tax credit with respect to such deduction, withholding or payment. If the Borrower fails to pay any Taxes when due to the appropriate taxing authority, the Borrower shall indemnify such Lender for any incremental taxes, interest or penalties that may become payable by such Lender as a result of any such failure. The provisions of this Section 13.2 shall survive the satisfaction and payment of all Liabilities and the termination of this Agreement.

ARTICLE 14 - GENERAL PROVISIONS

14.1 Notice

All written notices and other written communications with respect to this Agreement or any of the Other Agreements shall be sent by ordinary or registered mail, by facsimile or delivered in person, and in the case of the Lender shall be sent to it at FCC Ventures, a division of Farm Credit Canada c/o Avrio Investments Inc., 340 – 2618 Hopewell Place N.E., Calgary, Alberta, T1Y 7J7, Attention: John Kennedy (if by facsimile to facsimile number 905-465-4331) and in the case of the Borrower shall be sent to the Borrower at 10333 8th Avenue, P.O. Box 610 Humboldt, Saskatchewan S0K 2A0 Attention: President (if by facsimile to facsimile number 306-682-5042). The notice or other communication so sent shall be deemed to be received on the day of personal delivery or if by facsimile on the date of delivery if delivered before 3:00 p.m. (Regina time) on a Business Day and if delivered thereafter on the next Business Day, or if mailed, three days following the date of such mailing.

14.2 Choice of Governing Law and Construction

Except as expressly set forth therein, this Agreement and the Other Agreements (unless expressly stated otherwise in the Other Agreements) shall be governed and controlled by the laws of the Province of Saskatchewan and the laws of Canada applicable therein as to interpretation, enforcement, validity, construction, effect, and in all other respects, including, without limitation, the legality of the interest rate and other charges, but excluding perfection and realization of the security interests and hypothecs in the Collateral, which shall be governed and controlled by the laws of the relevant jurisdiction.

14.3 Forum Selection and Service of Process

To induce the Lender to accept this Agreement, the Borrower irrevocably agrees that, subject to the Lender's sole and absolute election, all actions or proceedings in any way, manner or respect, arising out of or from or related to this Agreement, the Other Agreements or the Collateral may be litigated in courts having *situs* within the Province of Saskatchewan. The Borrower hereby consents and submits to the non-exclusive jurisdiction of any local, provincial, state or federal courts located within said jurisdiction. The Borrower hereby waives any right it may have to transfer or change the venue of any litigation brought against the Borrower by the Lender in accordance with this paragraph.

14.4 Modification and Benefit of Agreement

This Agreement and the Other Agreements may not be modified, altered or amended except by an agreement in writing signed by the Borrower and the Lender. The Borrower may not sell, assign or transfer this Agreement, or the Other Agreements or any portion thereof including, without limitation, the Borrower's right, title, interest, remedies, powers or duties thereunder. The Borrower hereby consents to the sale, assignment, transfer or other disposition by the Lender, at any time and from time to time hereafter, of this Agreement, or the Other Agreements, or of any portion thereof, or participation therein including, without limitation, the right, title, interest, remedies, powers and/or duties of the Lender thereunder. The Borrower agrees that it shall execute and deliver such documents as a Lender may request in connection with any such sale, assignment, transfer or other disposition. This Agreement shall enure to the benefit of, and be binding upon, the parties hereto and their successors and permitted assigns.

14.5 Headings of Subdivisions

The headings of subdivisions in this Agreement are for convenience of reference only, and shall not govern the interpretation of any of the provisions of this Agreement.

14.6 Power of Attorney

The Borrower acknowledges and agrees that its appointment of the Lender as its attorney and agent for the purposes specified in this Agreement is an appointment coupled with an interest and shall be irrevocable until all of the Liabilities are paid in full and this Agreement is terminated.

14.7 Waivers, Confidentiality, Information Sharing

(a) In no event shall the Lender be liable for lost profits or other special or consequential damages.

(b) To the maximum extent permitted by law, the Borrower hereby waives all rights to notice and hearing of any kind prior to the exercise by the Lender of its rights to repossess the Collateral without judicial process or to replevy, attach or levy upon such Collateral without prior notice or hearing.

(c) To the maximum extent permitted by law, the Borrower hereby waives demand, presentment, protest and notice of non-payment.

(d) Failure of the Lender, at any time or times hereafter, to require strict performance by the Borrower of any provision of this Agreement or any of the Other Agreements shall not waive, affect or diminish any right of the Lender thereafter to demand strict compliance and performance therewith. Any suspension or waiver by the Lender of a Default under this Agreement or any default under any of the Other Agreements shall not suspend, waive or affect any other Default under this Agreement or any other default under any of the Other Agreements, whether the same is prior or subsequent thereto and whether of the same or of a different kind or character. No delay on the part of the Lender in the exercise of any right or remedy under this Agreement or any Other Agreement shall preclude any other or further exercise thereof or the exercise of any right or remedy. None of the undertakings, agreements, warranties, covenants and representations of the Borrower contained in this Agreement or any of the Other Agreements and no Default under this Agreement or default under any of the Other Agreements shall be deemed to have been suspended or waived by the Lender unless such suspension or waiver is in writing, signed by duly authorized officer(s) of the Lender and directed to the Borrower specifying such suspension or waiver.

(e) The Borrower hereby agrees and acknowledges that the Lender shall be permitted to share with each other and with any of their affiliates, any information concerning the Borrower, this Agreement and all related agreements, and the subject matter thereof, that the Lender have or will have in their possession.

14.8 Timing of Payments

Any payment required to be made by the Borrower to a Lender hereunder or under any of the Other Agreements shall be made in the currency in which the obligation requiring such payment arose. Any payment received by such Lender after 3:00 p.m. (Regina time) on a Business Day, or on any day that is not a Business Day, shall be credited to the account of the Borrower on the next following Business Day.

14.9 Currency

All dollar amounts specified herein are in Canadian dollars unless otherwise indicated.

14.10 Severability

If any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or remaining provisions of this Agreement.

14.11 Conflicts

In the event there occurs any conflict or inconsistency between any provision hereof and any provision of the Other Agreements, the provision hereof shall, to the extent of any such conflict or inconsistency, govern.

14.12 Right of Set-Off

Upon the occurrence and during the continuance of an Event of Default, the Lender is authorized at any time and from time to time, without notice to the Borrower (any such notice being expressly waived) to the fullest extent permitted by law to set-off any and all deposits of any kind at any time held to the credit or for the account of the Borrower, against any of the obligations of the Borrower hereunder or under any Other Agreement (including without limitation pursuant to any Warrants issued to the Lender hereunder), whether or not the Lender have made any demand hereunder or thereunder and although such obligations may be unmatured.

14.13 Entire Agreement

This Agreement and the Other Agreements embody the entire agreement and understanding between the parties hereto and thereto and supersede all prior agreements and understandings between such parties relating to the subject matter hereof and thereof and may not be contradicted by evidence of prior or contemporaneous agreements of the parties. There are no unwritten oral agreements between the parties related to the subject matter of this Agreement and the Other Agreements.

14.14 Non-Merger

The taking of any judgment shall not operate as a merger of any Liabilities or any part thereof or in any way suspend payment or affect or prejudice the rights, remedies and powers, legal or equitable, which the Lender may have in connection with the Liabilities.

14.15 Facsimile/Counterpart Execution

This Agreement may be executed and delivered by facsimile and in counterpart, and all such facsimile or counterpart so executed and delivered shall be deemed to constitute one, originally executed original.

[The next page is the signature page.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date set out on the first page hereof.

BIG SKY FARMS INC.

Per: ______________________________
Name: John LaClare
Title: President and CEO

Per: ______________________________
Name: Canute Tagseth
Title: Chief Financial Officer

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date set out on the first page hereof.

FCC VENTURES, a division of
FARM CREDIT CANADA, by its portfolio
manager and lawful attorney
AVRIO INVESTMENTS INC.

Per: ______________________________
Name:
Title:

Per: ______________________________
Name:
Title:

Signature page to FCCV Credit Agreement

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date set out on the first page hereof.

BIG SKY FARMS INC.

Per: ______________________________

Name: John LaClare
Title: President and CEO

Per: ______________________________

Name: Canute Tagseth
Title: Chief Financial Officer

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date set out on the first page hereof.

FCC VENTURES, a division of FARM CREDIT CANADA, by its portfolio manager and lawful attorney AVRIO INVESTMENTS INC.

Per: ______________________________

Name: John Kennedy
Title: J.P.

Per: ______________________________

Name:
Title:

Signature page to FCCV Credit Agreement

EXHIBIT A

BUSINESS AND COLLATERAL LOCATIONS

1. The Borrower's Business Locations (please indicate which location is the principal place of business and at which locations originals and all copies of the Borrower's books, records and accounts are kept) include the following:

   10333 8th Avenue
   PO Box 610
   Humboldt, SK S0K 2A0

2. As of July 6, 2006, the Borrower owned all of those lands described in the Inventory of Real Property, and leased or otherwise had an interest in all of those lands described in the Inventory of Leased Real Property, attached hereto. There have been no material changes in the real property owned or leased by the Borrower since July 16, 2006, except that (a) certain of the properties on which hog barns are located have been subdivided and, in certain cases, the subdivided, surplus farm lands sold, and (b) the former head office property at 905 5th Avenue Humboldt has been sold. Additionally, there have been no material changes in the encumbrances against the owned or leased real property except for (a) the registration, against all owned property, of a $3 million mortgage as collateral security to the FG Debenture, and (b) the $5,000,000 Maple Leaf Foods Inc mortgage has been paid out and discharged. The Collateral includes these lands and premises (other than those that have been sold as aforesaid) and all other Collateral (excluding inventory in transit or inventory in the United States that is being finished under contract finishing agreements) is located on such lands.

Bank Accounts of the Borrower:

Institution	Account Number	Type of Account
Scotiabank Westside Branch 20th Street & Avenue C Saskatoon, SK	400480063118	Canadian Dollar General Account
	400480086819	U.S. Dollar General Account
	400480001511	Health Benefits Account

BIG SKY FARMS INC.

INVENTORY OF REAL PROPERTY

Big Sky Hillsley Unit

Inv. # 1	*RM:* Wolverine #340	*Name:*	Hillsley
Use:	600 sow farrow to finish		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel # 113395361 Reference Land Description: NE Sec 19 Twp 35 Rge 23 W2 Extension 0 As described on Certificate of Title 90H09849		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
102392748	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia

Big Sky PPF 1 Unit

Inv. # 2	*RM:* Wolverine #340	*Name:*	PPF 1
Use:	600 sow farrow to finish		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel # 114461322 Reference Land Description: LSD 9 Sec 08 Twp 36 Rge 23 W2 Ext 2 As described on Certificate of Title 99H04362		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
102392939	CNV Caveat	05-May-1999	Her Majesty the Queen (Saskatchewan)
102392748	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia
ii	Surface Parcel # 114461333 Reference Land Description: LSD 10 Sec 08 Twp 36 Rge 23 W2 Ext 3 As described on Certificate of Title 99H04362		
102392939	CNV Caveat	05-May-1999	Her Majesty the Queen (Saskatchewan)
102392748	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia

Big Sky #1 – 2,500 Sow, 3 Site Facility

Inv. # 3	*RM:* Wolverine #340	*Name:*	Merkosky
Use:	Big Sky#1 breeder/farrow barn		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel # 113393820 Reference Land Description: NW Sec 11 Twp 35 Rge 23 W2 Ext 0 As described on Certificate of Title 97H09269		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
102392894	CNV Water Corp Notice	15-May- 1997	Saskatchewan Water Corporation
102392726	$5,000,000 CNV Mortgage (see Note 1)	17-November-1998	Maple Leaf Foods Inc
102392748	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia

Inv. # 4	*RM:* Wolverine #340	*Name:*	Krysa
Use:	Big Sky#1 nursery barn		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel # 113393796 Reference Land Description: NW Sec 10 Twp 35 Rge 23 W2 Ext 0 As described on Certificate of Title 97H09268		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
102392928	CNV Water Corp Notice	15-May- 1997	Saskatchewan Water Corporation
102392726	$5,000,000 CNV Mortgage (see Note 1)	17-November-1998	Maple Leaf Foods Inc
102392748	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia

Inv. 5#	*RM:* Stanley #215	*Name:*	Lang
Use:	Big Sky #1 Feeder Barn 1		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #143967910 Reference Land Description: NE Sec 07 Twp 23 Rge 09 W2 Ext 0 As described on Certificate of Title 97Y09307		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104961719	CNV Easement	03 December 1973	Saskatchewan Telecommunication
104961641	$5,000,000 CNV Mortgage (see Note 1)	12 November 1998	Maple Leaf Foods Inc.
104632343	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia

Inv. #6	*RM:* Stanley #215	*Name:*	Star
Use:	Big Sky #1 Feeder Barn 2		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #143967897 Reference Land Description: SW Sec 07 Twp 23 Rge 09 W2 Ext 0 As described on Certificate of Title 97Y09309		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104961641	$5,000,000 CNV Mortgage (see Note 1)	12 November 1998	Maple Leaf Foods Inc.
104632343	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia

Inv. #7	*RM:* Wolverine #340	*Name:*	
Use:	Big Sky #1 Manager's Residence		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #113393932 Reference Land Description: SE Section 15 Twp 35 Rge 23 W2 Ext 0 As described on Certificate of Title 94H10634B		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
102392883	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia

Big Sky #2: 2,500 sow, three site facility (Kelvington/Lintlaw)

Inv. #8	*RM:* Hazel Dell #335	*Name:*	Engdahl
Use:	Big Sky #2 breeder/farrow barn		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #114046017 Reference Land Description SW Section 03 Twp 35 Rge 09 W2 Ext 0 As described on Certificate of Title 97H08407		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
102392726	$5,000,000 CNV Mortgage (see Note 1)	17 November 1998	Maple Leaf Foods Inc.
102392748	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia

Inv. #9	*RM:* Hazel Dell #335	*Name:*	Oryszczyn
Use:	Big Sky #2 nursery barn		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #120386404 Reference Land Description LSD 11 Sec 23 Twp 35 Rge 09 W2 Ext 9 As described on Certificate of Title 97H08408, Description 9		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
102438491	CNV Water Corporation Notice	06 October 1998	Saskatchewan Water Corporation
102392726	$5,000,000 CNV Mortgage (see Note 1)	17 November 1998	Maple Leaf Foods Inc.
102392748	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia
ii.	Surface Parcel #120386426 Reference Land Description LSD 12 Sec 23 Twp 35 Rge 09 W2 Ext 10 As described on Certificate of Title 97H08408, Description 10		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
102438491	CNV Water Corporation Notice	06 October 1998	Saskatchewan Water Corporation
102392726	CNV Mortgage	17 November 1998	Maple Leaf Foods Inc.
102392748	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia
iii.	Surface Parcel #120386448 Reference Land Description LSD 13 Sec 23 Twp 35 Rge 09 W2 Ext 11 As described on Certificate of Title 97H08408, Description 11		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
102438491	CNV Water Corporation Notice	06 October 1998	Saskatchewan Water Corporation
102392726	$5,000,000 CNV Mortgage (see Note 1)	17 November 1998	Maple Leaf Foods Inc.
102392748	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia
iv.	Surface Parcel #120386460 Reference Land Description LSD 14 Sec 23 Twp 35 Rge 09 W2 Ext 12 As described on Certificate of Title 97H08408, Description 12		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
102438491	CNV Water Corporation Notice	06 October 1998	Saskatchewan Water Corporation
102392726	$5,000,000 CNV Mortgage (see Note 1)	17 November 1998	Maple Leaf Foods Inc.
102392748	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia

v.	Surface Parcel #120386482 Reference Land Description NW LSD 14 Sec 23 Twp 35 Rge 09 W2 Ext 23 As described on Certificate of Title 97H08408, Description 23		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
102438491	CNV Water Corporation Notice	06 October 1998	Saskatchewan Water Corporation
102392726	$5,000,000 CNV Mortgage (see Note 1)	17 November 1998	Maple Leaf Foods Inc.
102392748	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia

Inv. #10	*RM:* Sasman #336	*Name:*	Clark
Use:	Big Sky #2 Feeder Barn 1		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #113275650 Reference Land Description NW Sec 18 Twp 36 Rge 11 W3 Ext 0 As described on Certificate of Title 97H08410		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
102392726	$5,000,000 CNV Mortgage (see Note 1)	17 November 1998	Maple Leaf Foods Inc.
102392748	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia

Inv. 11#	*RM:* Sasman #336	*Name:*	Clearfield
Use:	Big Sky #2 Feeder Barn 2		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #113311471 Reference Land Description SE Sec 13 Twp 36 Rge 12 W2 Ext 0 As described on Certificate of Title 97H08409		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
102392726	$5,000,000 CNV Mortgage (see Note 1)	17 November 1998	Maple Leaf Foods Inc.
102392748	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia

Inv. #12	City of Humboldt	*Name:*	Slat Plant
Use:	Manufacture of concrete slats and other materials for hog barns		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #113883453 Reference Land Description Lot 12 Blk/Par 90 Plan No. 00H08038 Ext 0 As described on Certificate of Title 00H08213		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
102392827	CNV Personal Property Security Interest	27-Nov-2000	The Bank of Nova Scotia
110191676	$100,000,000 Mortgage	03-Nov-2005	The Bank of Nova Scotia

Big Sky #3: 2,500 sow, three site facility (Preeceville/Sturgis)

Inv. #13	*RM:* Preeceville #334	*Name:*	Sawka
Use:	Big Sky #3 breeder/farrow barn		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #143250263 Reference Land Description SW Sec 14 Twp 36 Rge 06 W2 Ext 0 As described on Certificate of Title 00Y04478		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104961832	CNV Planning and Development Act Caveat	6 July 1998	RM of Preeceville #334
104961641	$5,000,000 CNV Mortgage (see Note 1)	12 November 1998	Maple Leaf Foods Inc.
104632343	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia

Inv. #14	*RM:* Preeceville #334	*Name:*	North Prairie
Use:	Big Sky #3 nursery barn		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #142430510 Reference Land Description SW 18 Twp 36 Rge 05 W2 Ext 0 As described on Certificate of Title 00Y04909		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104961854	CNV Planning and Development Act Caveat	6 July 1998	RM of Preeceville #334
104961641	$5,000,000 CNV Mortgage (see Note 1)	12 November 1998	Maple Leaf Foods Inc.
104632343	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia

Inv. #15	*RM:* Preeceville #334	*Name:*	Kopje
Use:	Big Sky #3 Feeder barn 1		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #142104620 Reference Land Description SE Sec 02 Twp 35 Rge 04 W2 Ext 0 As described on Certificate of Title 00Y06422		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104961641	$5,000,000 CNV Mortgage (see Note 1)	12 November 1998	Maple Leaf Foods Inc.
104632343	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia

Inv. #16	*RM:* Preeceville #334	*Name:*	Peterson
Use:	Big Sky #3 Feeder barn 2		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #142104608 Reference Land Description SW Sec 01 Twp 35 Rge 04 W2 Ext 0 As described on Certificate of Title 00Y06406		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104961641	$5,000,000 CNV Mortgage (see Note 1)	12 November 1998	Maple Leaf Foods Inc.
104632343	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia

Big Sky #4: 6,000 sow, three site facility (Ogema)

Inv. #17	*RM:* Key West 070	*Name:*	Fohr
Use:	Big Sky #4 breeder/farrow barn		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #108467781 Reference Land Description SW Sec 05 Twp 08 Rge 23 W2 Ext 0 As described on Certificate of Title 00SE15167		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
102393154	$100,000,000 CNV Mortgage	01-Nov-2000	The Bank of Nova Scotia

Inv. #18	*RM:* Key West #070	*Name:*	Hudson
Use:	Big Sky #4 nursery barn		
Leased Property – See Appendix C			

Inv. #19	*RM: Key West #070*	*Name:*	Bacon
Use:	Big Sky #4 feeder barn 1		
Leased Property – See Appendix C			

Inv. #20	*RM: Key West #070*	*Name:*	Iversen
Use:	Big Sky #4 feeder barn 2		
Leased Property – See Appendix C			

Inv. #21	*RM: Key West #070*	*Name:*	Linton
Use:	Big Sky #4 feeder barn 3		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #108475735 Reference Land Description NE Sec 25 Twp 08 Rge 22 W2 Ext 0 As described on Certificate of Title 00SE30248		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104328446	$100,000,000 CNV Mortgage	22 July 2002	The Bank of Nova Scotia

Inv. #22	*RM: Key West #070*	*Name:*	Dunn
Use:	Big Sky #4 feeder barn 4		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #109100179 Reference Land Description NE Sec 09 Twp 09 Rge 22 W2 Ext 1 As described on Certificate of Title 00SE32505 which describes this parcel and other parcels with the same land description tied to this one		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104328446	$100,000,000 CNV Mortgage	22 July 2002	The Bank of Nova Scotia
ii.	Surface Parcel #109110877 Reference Land Description NE Sec 09 Twp 09 Rge 22 W2 Ext 2 As described on Certificate of Title 00SE32505 which describes this parcel and other parcels with the same land description tied to this one		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104328446	$100,000,000 CNV Mortgage	22 July 2002	The Bank of Nova Scotia

Inv. #23	*RM: Key West 070*	*Name:*	
Use:	Big Sky #4 feedmill site		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #120383827 Reference Land Description Blk/Par A Plan No. 101342405 Ext 5 As described on Certificate of Title 00SE37642 description 5		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104328446	$100,000,000 CNV Mortgage	22 July 2002	The Bank of Nova Scotia
108035120	Saskatchewan Watershed Authority Act, 2005-Notice(s.64)	12 May 2003	Saskatchewan Watershed Authority
108058585	Easement Non Mutual (Dominant)	20 May 2003	The Current Dominant Tenement
108129854	Easement Non Mutual	18 June 2003	The Current Dominant Tenement

Big Sky #5: 6,000 sow, three site facility (Rama)

Inv. #24	*RM: Invermay #305*	*Name:*	Korchewski
Use:	Big Sky #5 breeder/farrow barn		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #143009232 Reference Land Description SW Sec 08 Twp 32 Rge 07 W2 Ext 0 As described on Certificate of Title 01Y05570		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104632343	$100,000,000 CNV Mortgage	08 November 2000	The Bank of Nova Scotia
107887922	Saskatchewan Watershed Authority Act, 2005-Notice(s.64)	16 April 2003	Saskatchewan Watershed Authority

Inv. #25	*RM: Invermay #305*	*Name:*	Mainroad
Use:	Big Sky #5 nursery barn		
Leased Property – See Appendix C			

Inv. #26	*RM: Invermay #305*	*Name:*	Matsalla
Use:	Big Sky #5 feeder barn 1		
Leased Property – See Appendix C			

Inv. #27	*RM: Hazel Dell #335*	*Name:*	Stein
Use:	Big Sky #5 feeder barn 2		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #153953545 Reference Land Description SW Sec 26 Twp 34 Rge 08 W2 Ext 1 As shown on Plan 101428196		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104328446	$100,000,000 CNV Mortgage	22 July 2002	The Bank of Nova Scotia

Inv. #28	*RM: Hazel Dell #335*	*Name:*	Ashworth
Use:	Big Sky #5 feeder barn 3		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #114085807 Reference Land Description SE Sec 23 Twp 34 Rge 08 W2 Ext 0 As described on Certificate of Title 01H05353		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104328446	$100,000,000 CNV Mortgage	22 July 2002	The Bank of Nova Scotia
106380996	Saskatchewan Watershed Authority Act, 2005-Notice(s.64)	11 December 2002	Saskatchewan Watershed Authority
Inv. #29	*RM: Hazel Dell #335*	*Name:*	Brezinski
Use:	Big Sky #5 feeder barn 4		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #114067706 Reference Land Description SW Sec 10 Twp 34 Rge 08 W2 Ext 0 As described on Certificate of Title 01H04816		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104328446	$100,000,000 CNV Mortgage	22 July 2002	The Bank of Nova Scotia

Inv. #30	*RM: Invermay #305*	*Name:*	
Use:	Big Sky #5 Feedmill site		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #145221173 Reference Land Description LSD 13 Sec 07 Twp 33 Rge 07 W2 Ext 19 As described on Certificate of Title 00Y10959 Description 19		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104563896	$100,000,000 CNV Mortgage	12 July 2002	The Bank of Nova Scotia

ii	Surface Parcel #145221184 Reference Land Description LSD 14 Sec 07 Twp 33 Rge 07 W2 Ext 20 As described on Certificate of Title 00Y10959 Description 20		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104563896	$100,000,000 CNV Mortgage	12 July 2002	The Bank of Nova Scotia

Inv. #31	*RM:*	*Name:*	Dam Site
Use:	Water supply for Big Sky #5		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #143008927 Reference Land Description; Blk/Par APlan No AW1088 Ext 0 As described on Certificate of Title 01Y05600		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
107832416	$100,000,000 CNV Mortgage	10 Apr 2003	The Bank of Nova Scotia
ii.	Surface Parcel #143008916 Reference Land Description; Blk/Par APlan No AW1088 Ext 0 As described on Certificate of Title 01Y05600		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
105898551	CNV Easement	28 Feb 1974	TransGas Limited
107832416	$100,000,000 CNV Mortgage	10 Apr 2003	The Bank of Nova Scotia
107887922	Saskatchewan Watershed Authority Act, 2005 – Notice (s.64)	16 Apr 2003	Saskatchewan Watershed Authority
iii.	Surface Parcel #147451406 Reference Land Description; NE Sec 17 Twp 32 Rge 07 W2 Plan No AW1088 Ext 0 As described on Certificate of Title 01Y05600		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
107832416	$100,000,000 CNV Mortgage	10 Apr 2003	The Bank of Nova Scotia
107887922	Saskatchewan Watershed Authority Act, 2005 – Notice (s.64)	16 Apr 2003	Saskatchewan Watershed Authority

iv.	Surface Parcel #143008905 Reference Land Description; Blk/Par CPlan No AW1088 Ext 0 As described on Certificate of Title 01Y05600		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
105898551	CNV Easement	28 Feb 1974	TransGas Limited
107832416	$100,000,000 CNV Mortgage	10 Apr 2003	The Bank of Nova Scotia
107887922	Saskatchewan Watershed Authority Act, 2005 – Notice (s.64)	16 Apr 2003	Saskatchewan Watershed Authority

Inv. #32	*RM: Invermay #305*	*Name:*	
Use:	Big Sky #5 Manager's Residence		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #145842925 Reference Land Description Blk/Par A Plan No. 101705037 Ext 1 As described on Certificate of Title 01Y05958 Description 1		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104961821	$100,000,000 CNV Mortgage	12 July 2002	The Bank of Nova Scotia

Big Sky #6 6,000 sow, three site facility (Porcupine)

Inv. #33	*RM: Porcupine #395*	*Name:*	
Use:	Big Sky #6 breeder/farrow barn		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #135489729 Reference Land Description NW Sec 20 Twp 42 Rge 06 W2 Ext 0 As described on Certificate of Title 01PA18130		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104328446	$100,000,000 CNV Mortgage	22 July 2002	The Bank of Nova Scotia

Inv. #34	*RM: Porcupine #395*	*Name:*	Lindenbach-Denham
Use:	Big Sky #6 nursery barn		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #135518126 Reference Land Description NE Sec 33 Twp 41 Rge 06 W2 Ext 0 As described on Certificate of Title 01PA20010		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104328446	$100,000,000 CNV Mortgage	22 July 2002	The Bank of Nova Scotia

Inv. #35	*RM: Bjorkdale #426*	*Name:*	Martyn
Use:	Big Sky #6 feeder barn 1		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #133608540 Reference Land Description SW Sec 23 Twp 43 Rge 10 W2 Ext 0 As described on Certificate of Title 01PA21715		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104328446	$100,000,000 CNV Mortgage	22 July 2002	The Bank of Nova Scotia

Inv. #36	*RM: Bjorkdale #426*	*Name:*	Lenning
Use:	Big Sky #6 feeder barn 2		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #133608629 Reference Land Description NE Sec 25 Twp 43 Rge 10 Ext 0 As described on Certificate of Title 02PA00887(1)		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104328446	$100,000,000 CNV Mortgage	22 July 2002	The Bank of Nova Scotia

Inv. #37	*RM: Bjorkdale #426*	*Name:*	Hoffus
Use:	Big Sky #6 feeder barn 3		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #133608753 Reference Land Description SE Sec 30 Twp 43 Rge 10 W2 Ext 0 As described on Certificate of Title 02PA06720		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104328446	$100,000,000 CNV Mortgage	22 July 2002	The Bank of Nova Scotia

Inv. #38	*RM: Porcupine #395*	*Name:*	
Use:	Big Sky #6 feedmill site		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #151103865 Reference Land Description Blk/Par A Plan No 101473590 Ext 0		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
108089578	$100,000,000 CNV Mortgage	03 June 2003	The Bank of Nova Scotia
ii.	Surface Parcel #151103887 Reference Land Description Blk/Par B Plan No. 101473590 Ext 0		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
	Nil (see Note 2)		

Inv. #39	*RM: Porcupine #395*	*Name:*	
Use:	Big Sky #6 Manager's Residence		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #136191999 Reference Land Description Blk/Par A Plan No 101544443 Ext 41 As described on Certificate of Title 02PA05466 Description 41		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104414576	$100,000,000 CNV Mortgage	26 July 2002	The Bank of Nova Scotia

Artificial Insemination Stud Barn

Inv. #40	*RM: Lakeside #338*	*Name:*	
Use:	AI stud barn		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #120387179 Reference Land Description Blk/Par A Plan No 101727817 Ext 14 As described on Certificate of Title 02H01550 Description 14		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104328446	$100,000,000 CNV Mortgage	22 July 2002	The Bank of Nova Scotia

Other

Inv. #41	*City of Humboldt*	*Name:*	
Use:	Head Office		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #113881372 Reference Land Description Lot 15 Blk/Par 5 Plan No. 99H01872 Ext 0 As described on Certificate of Title 99H05930		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
102392748	$100,000,000 CNV Mortgage	08 November 2000	The Bank of Nova Scotia

Inv. #42	*RM: Stanley #215*	*Name:*	
Use:	Extra quarter section leased for farming		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #143967909 Reference Land Description NW Sec 07 Twp 23 Rge 09 W2 Ext 0 As described on Certificate of Title 97Y09308		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104961641	$5,000,000 CNV Mortgage (see Note 1)	12 November 1998	Maple Leaf Foods Inc.
104632343	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia

ii.	Mineral Parcel #145842824 Reference Land Description NW Sec 07 Twp 23 Rge 09 W2 Ext 0 As described on Certificate of Title 97Y09308		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104961641	CNV Mortgage	12 November 1998	Maple Leaf Foods Inc.
104632343	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia

Inv. #43	*RM:* Wolverine 340	*Name:*	Burr Truck Wash
Use:	truck wash		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #113390681 Reference Land Description Blk/Par A Plan No 63H07892 Ext 0 As described on Certificate of Title 95H10734		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
102392726	$5,000,000 CNV Mortgage (see Note 1)	17 November 1998	Maple Leaf Foods Inc.
102392748	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia

Inv. #44	*RM: City of Humboldt*	*Name:*	Humboldt Truck Wash
Use:	truck wash		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #113857375 Reference Land Description Lot 3 Blk/Par 91 Plan No. 84H08705 Ext 0 As described on Certificate of Title 96H10386		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
102392726	$5,000,000 CNV Mortgage (see Note 1)	17 November 1998	Maple Leaf Foods Inc.
102392748	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia
ii.	Surface Parcel #113857386 Reference Land Description Lot 4 Blk/Par 91 Plan No 84H08705 Ext 0 As described on Certificate of Title 00H06302		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
102392748	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia

Inv. #45	City of Saskatoon	*Name:*	
Use:	Saskatoon Truck Wash		
Leased Property – See Appendix C			

Big Sky #7 – Pelly Project – 6,000 sow, 2 site farrow to ween (Proposed, see Note 2)

Inv. #46	*RM:* St. Philips #301	*Name:*	
Use:	Big Sky #7 breeder/farrow barn		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #144412107 Reference Land Description NE Sec 33 Twp 32 Rge 31 W1 Ext 0 As described on Certificate of Title 75Y06319		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
110042682	$100,000,000 Mortgage	01 Sep 2005	The Bank of Nova Scotia

Inv. #47	*RM:* St. Philips #301	*Name:*	
Use:	Big Sky #7 nursery barn		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #151573620 Reference Land Description NE Sec 11 Twp 33 Rge 32 W1 Ext 53 As described on Certificate of Title 97Y12033 Description 53		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
110042682	$100,000,000 Mortgage	01 Sep 2005	The Bank of Nova Scotia

Inv. #48	*RM:* St. Livingston # 331	*Name:*	Stilaeoff
Use:	Big Sky #7 (future) finisher site		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #144417269 Reference Land Description NW Sec 33 Twp 34 Rge 30 W1 Ext 0 As described on Certificate of Title 87Y00589B		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
	Nil (see Note 2)		

Distribution Centre

Inv. #49	City of Humboldt	*Name:*	
Use:	Distribution Centre		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #113866218 Reference Land Description Lot 4 Blk/Par 210 Plan No. 85H11697 Ext 0 As described on Certificate of Title 00H05361		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
103417376	CNV Easement	24 December 1990	Saskatchewan Power Corporation and Saskatchewan Telecommunications
110042682	$100,000,000 Mortgage	01 Sep 2005	The Bank of Nova Scotia
ii.	Surface Parcel #113866195 Reference Land Description Lot 5 Blk/Par 210 Plan No. 85H11697 Ext 0 As described on Certificate of Title 00H05361		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
103417376	CNV Easement	24 December 1990	Saskatchewan Power Corporation and Saskatchewan Telecommunications
110042682	$100,000,000 Mortgage	01 Sep 2005	The Bank of Nova Scotia

New Head Office Property (Proposed)

Inv. #50	City of Humboldt	*Name:*	
Use:	Site for proposed new head office		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #113866184 Reference Land Description Lot 2 Blk/Par 210 Plan No. 85H11697 Ext 0 As described on Certificate of Title 87H11458		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
	Nil (see Note 2)		
ii.	Surface Parcel #113866207 Reference Land Description Lot 3 Blk/Par 210 Plan No. 85H11697 Ext 0 As described on Certificate of Title 87H11459		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
	Nil (see Note 2)		

Inv. #51	RM: Porcupine #395	Name:	
Use:	Water well site for Big Sky #6		
	Legal Description(s) and Registered Encumbrances		
i.	Surface Parcel #145311612 Reference Land Description Blk/Par APlan No. 02PA08075 Ext 1 As described on Certificate of Title PA100683969		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
110042682	$100,000,000 Mortgage	01 Sep 2005	The Bank of Nova Scotia

Storage Site

Inv. #52	UM: City of Humboldt.	Name:	
Use:	Storage site for Environmental Management System Equipment		
	Legal Description(s) and Registered Encumbrances		
i.	Surface Parcel #161579368 Reference Land Description Lot 5 Blk/Par 91Plan No 101886295 Extension 0		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
	Nil (see Note 2)		

CPV Acquisitions -Saskatchewan

Inv. #53	RM:Victory #. 226	Name:	Beechy
Use:	600 sow, single site farrow to finish unit		
	Legal Description(s) and Registered Encumbrances		
i.	Surface Parcel #104593710 Reference Land Description Blk/Par A Plan No 101083441 Extension 19 As described on Certificate of Title 97MJ02537 Description 19		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
100091124	CNV Caveat	09 May 1999	Coteau Hills Rural Water Pipeline Association
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia

Inv. #54	*RM:* Mountain View #318	*Name:*	Eagle Creek
Use:	1,200 sow, single site farrow to finish unit		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #131570692 Reference Land Description Blk/Par A Plan No 101473770 Extension 19 As described on Certificate of Title 99MW06117 Description 19		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
103186706	CNV Caveat	29 July 1976	Her Majesty the Queen (Saskatchewan Conservation and Land Improvement Br, Dept of Agriculture
103186717	CNV Water Corporation Certificate	06 May 1997	Saskatchewan Water Corporation
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia

Inv. #55	*RM:* Rudy No.284	*Name:*	Great West
Use:	1,200 sow, single site farrow to finish unit		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #119774830 Reference Land Description SE Sec 27 Twp 28 Rge 07 W3 Ext 0 As described on Certificate of Title 96S27546		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
105192750	CNV Caveat	13-Feb-1997	Norman John Ballek and Natalie Jade Ballek
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia
ii.	Surface Parcel #119811708 Reference Land Description SW Sec 22 Twp 28 Rge 07 W3 Ext 1 As described on Certificate of Title 97S06542A which describes this parcel and other parcels with the same land description tied to this one		
107703648	CNV Notice-South Saskatchewan River Irrigation Act	26 March 2003	The Board of the Saskatchewan River Irrigation Act
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia

iii.	Surface Parcel #119821563 Reference Land Description SW Sec 22 Twp 28 Rge 07 W3 Ext 2 As described on Certificate of Title 97S06542A which describes this parcel and other parcels with the same land description tied to this one		
107703648	CNV Notice-South Saskatchewan River Irrigation Act	26 March 2003	The Board of the Saskatchewan River Irrigation Act
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia
iv.	Surface Parcel #119821574 Reference Land Description SW Sec 22 Twp 28 Rge 07 W3 Ext 3 As described on Certificate of Title 97S06542A which describes this parcel and other parcels with the same land description tied to this one		
107703648	CNV Notice - South Saskatchewan River Irrigation Act	26 March 2003	The Board of the Saskatchewan River Irrigation Act
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia
v.	Surface Parcel #119821585 Reference Land Description SW Sec 22 Twp 28 Rge 07 W3 Ext 4 As described on Certificate of Title 97S06542A which describes this parcel and other parcels with the same land description tied to this one		
107703648	CNV Notice-South Saskatchewan River Irrigation Act	26 March 2003	The Board of the Saskatchewan River Irrigation Act
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia
vi.	Surface Parcel #119774818 Reference Land Description NW Sec 22 Twp 28 Rge 07 W3 Ext 1 As described on Certificate of Title 97S06542 which describes this parcel and other parcels with the same land description tied to this one		
105199511	CNV Caveat	13-Feb-1997	Norman John Ballek and Natalie Jade Ballek
105199522	CNV Common Law Easement Re: S ½ of 26-28-7 W3	14 January 2000	The Current Dominant Tenement
107703648	CNV Notice-South Saskatchewan River Irrigation Act	26 March 2003	The Board of the Saskatchewan River Irrigation Act
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia

vii.	Surface Parcel #119825488 Reference Land Description NW Sec 22 Twp 28 Rge 07 W3 Ext 2 As described on Certificate of Title 97S06542 which describes this parcel and other parcels with the same land description tied to this one		
105199511	CNV Caveat	13-Feb-1997	Norman John Ballek and Natalie Jade Ballek
105199522	CNV Common Law Easement Re: S ½ of 26-28-7 W3	14 January 2000	The Current Dominant Tenement
107703648	CNV Notice - South Saskatchewan River Irrigation Act	26 March 2003	The Board of the Saskatchewan River Irrigation Act
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia

Inv. #56	*RM:* Rosemount #378	*Name:*	Hi-Point
Use:	600 sow, single site farrow to finish unit		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #118505190 Reference Land Description SW Sec 11 Twp 39 Rge 16 W3 Ext 0 As described on Certificate of Title 99MW04442		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
105590022	CNV Water Corporation Notice	14 April 2000	Saskatchewan Water Corporation
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia

Inv. #57	*RM:* Star City #428	*Name:*	Kelsey
Use:	600 sow, single site farrow to finish unit		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #133557442 Reference Land Description NW Sec 36 Twp 45 Rge 17 W2 Ext 0 As described on Certificate of Title 99PA06413		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
105866871	CNV Easement	25 June 1974	Saskatchewan Telecommunications
108211047	Saskatchewan Watershed Authority Act, 2005- Notice(s.64)	21 July 2003	Saskatchewan Watershed Authority
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia

Inv. #58	*RM:* Last Mountain Valley #250	*Name:*	Last Mountain
Use:	600 sow, single site farrow to finish unit		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #109990637 Reference Land Description NE Sec 02 Twp 25 Rge 23 W2 Ext 0 As described on Certificate of Title 00SE08958		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
103509020	CNV Water Corporation Notice	5 October 1999	Saskatchewan Water Corporation
103509031	CNV Caveat	04 Apr 2001	The Bank of Nova Scotia
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia
ii.	Surface Parcel #109990626 Reference Land Description SE Sec 02 Twp 25 Rge 23 W2 Ext 0 As described on Certificate of Title 00SE08958A		
103509031	CNV Caveat	4 April 2001	Bank of Nova Scotia
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia

Inv. #59	*RM:* Arborfield #456	*Name:*	Pasquia
Use:	600 sow, single site farrow to finish unit		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #135201158 Reference Land Description NE Sec 04 Twp 46 Rge 12 W2 Ext 0 As described on Certificate of Title 00PA04564		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia

Inv. #60	*RM:* Bone Creek	*Name:*	Red Coat
Use:	600 sow, single site farrow to finish unit		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #151484564 Reference Land Description NW Sec 10 Twp 09 Rge 17 W3 Ext 33 As described on Certificate of Title 01SC02068 Description 33		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
107439194	CNV Easement	21 May 1958	SaskPower
107439161	CNV Easement	26 June 1972	Many Islands Pipe Lines (Canada) Limited
107439183	CNV Water Corporation Notice	28 June 2001	Saskatchewan Water Corporation
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia

Inv. #61	*RM: Maple Bush # 224*	*Name:*	River Lake
Use:	600 sow, single site farrow to finish unit		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #102636817 Reference Land Description NE Sec 08 Twp 24 Rge 05 W3 Ext 0 As described on Certificate of Title 97MJ02538		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
100497405	CNV Caveat	04-Feb-1997	Sandy Bay Farms Ltd.
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia
ii.	Mineral Parcel #105669131 Reference Land Description NE Sec 08 Twp 24 Rge 05 W3 Ext 0 As described on Certificate of Title 97MJ02538		
100497405	CNV Caveat	04-Feb-1997	Sandy Bay Farms Ltd.
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia

Inv. #62	*RM:* Rosthern #403	*Name:*	Sask Valley
Use:	1,200 sow, single site farrow to finish unit		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #145995733 Reference Land Description Blk/Par A Plan No 101549460 Ext 24 As described on Certificate of Title 00PA04563 Description 24		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
105052126	CNV Common Law Easement (Dominant)	14 December 1995	The Current Dominant Tenement
105052137	CNV Water Corporation Notice	11 April 1997	Saskatchewan Water Corporation
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia

Inv. #63	*RM:* Grass Lake #381	*Name:*	Sask West
Use:	600 sow, single site farrow to finish unit		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #120903320 Reference Land Description LSD 15 Sec 24 Twp 39 Rge 25 W3 Ext 20 As described on Certificate of Title 99MW04443 Description 20		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
102997794	CNV Caveat	22 July 1992	SaskPower
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia
ii.	Surface Parcel #153452099 Reference Land Description LSD 16 Sec 24 Twp 39 Rge 25 W3 Ext 22		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
102997794	CNV Caveat	22 July 1992	SaskPower
102997817	CNV Water Corporation Notice	26 November 1999	Saskatchewan Water Corporation
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia
iii.	Surface Parcel #153452101 Reference Land Description LSD 16 Sec 24 Twp 39 Rge 25 W3 Ext 21		
102997794	CNV Caveat	22 July 1992	SaskPower
102997817	CNV Water Corporation	26 November 1999	Saskatchewan Water Corporation
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia

Inv. #64	*RM:* Grant #372	*Name:*	St. Denis
Use:			
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #152817802 Reference Land Description NW Sec 13 Twp 37 Rge 01 W3 Ext 23 As described on Certificate of Title 97H01783 Description 23		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
108103272	CNV Common Law Easement (Dominant)	06 July 1995	The Current Dominant Tenement
108103294	CNV Water Corporation Notice	05 May 1997	Saskatchewan Water Corporation
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia
ii.	Surface Parcel #152817813 Reference Land Description NW Sec 13 Twp 37 Rge 01 W3 Ext 81 As described on Certificate of Title 97H01783 Description 81		
108103272	CNV Common Law Easement (Dominant)	06 July 1995	The Current Dominant Tenement
108103294	CNV Water Corporation Notice	05 May 1997	Saskatchewan Water Corporation
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia

Inv. #65	*RM:* Insinger #275	*Name:*	Yellowhead
Use:	1,200 sow, single site farrow to finish unit		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #141164546 Reference Land Description NE Sec 27 Twp 28 Rge 08 W2 Ext 0 As described on Certificate of Title 00Y10406		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
105831615	Easement Mutual (Dominant)	30 October 2002	The Current Dominant Tenement
106220764	Easement Non-Mutual (Dominant)	28 November 2002	The Current Dominant Tenement
106777862	Easement Non-Mutual (Dominant)	13 January 2003	The Current Dominant Tenement
109053738	Saskatchewan Watershed Authority Act, 2005 – Notice (s.64)	25 June 2004	Saskatchewan Watershed Authority
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia

CPV Acquisitions -Manitoba

Inv. #66	Morden LTO	*Name:*	Norfolk
Use:	600 sow, single site farrow to finish unit		
Legal Description(s) and Registered Encumbrances			
i.	SW ¼ 33-7-9 WPM		
#	*Summary Description*	*Registration Date*	*Holder*
1025246	Caveat MOR ACCEPTED Easement Agreement for lines and cables with pedestals	1999/11/17	MTS Communications Inc
38693C	Caveat MOR ACCEPTED ½ Interest in minerals	1969/08/30	Crown Trust Company
1090824	$100,000,000 Mortgage	2005/09/01	The Bank of Nova Scotia

Inv. #67	Brandon LTO	*Name:*	Whitewater
Use:	600 sow, single site farrow to finish unit		
Legal Description(s) and Registered Encumbrances			
i.	NLY 2034 Feet Perp of the WLY 1713.30 Feet Perp of the SW ¼ 17-4-20 WPM EXC all mines and minerals as set forth in transfer no. 56141 BO DIV		
#	*Summary Description*	*Registration Date*	*Holder*
1054707	Caveat ACCEPTED Easement Agrt Dated 1998-06-15	1998/11/23	From/By: Wesley Arbram John Froese & Elaine Rosemarie Edie Froese To: John Michael Waldron as agent
1168714	$100,000,000 Mortgage	2005/09/01	The Bank of Nova Scotia
1179912	Caveat ACCEPTED Right of First Refusal Agrt dated 3 February 2006		From/By: The Manitoba Hydro-Electric Board To: J. Quinn Menec as agent
1179914	Caveat ACCEPTED Wind Farm Agrt dated 3 February 2006	2006/04/05	From/By: The Manitoba Hydro-Electric Board To: J. Quinn Menec as agent

Inv. #68		*Name:*	Southwest
Use:	600 sow, single site farrow to finish unit		
Legal Description(s) and Registered Encumbrances			
i.	All that portion of WLY 1036.75 Feet Perp of NW ¼ 17-3-26 WPM which lies North of a line drawn ELY right angles to WLY limit of said quarter section through a point distant thereon 1420.60 feet from NW corner of said quarter section EXC mines and minerals as set forth in transfer no: 62878BO.		
#	*Summary Description*	*Registration Date*	*Holder*
1062339	Caveat ACCEPTED Right-of-way agreement dated 18 March 1999	1999/04/30	From/By: MTS Communications Inc. To: William F. Johnstone as agent
1082082	Caveat ACCEPTED Waterline Easement Agrt dated 4 Aug 1998	2000/07/05	From/By: Southwest Stock Farm Ltd. To: By Donald John Sheldon, as agent
1082087	Caveat ACCEPTED Waterline Easement Agrt dated 17 Oct 1998	2000/07/05	From/By: Southwest Stock Farm Ltd. To: By Donald John Sheldon, as agent
1082088	Caveat ACCEPTED Waterline Easement Agrt dated 17 Oct 1998	2000/07/05	From/By: Southwest Stock Farm Ltd. To: By Donald John Sheldon, as agent
1168714	$100,000,000 Mortgage	2005/09/01	The Bank of Nova Scotia

ii.	All that portion of the ELY 1468.50 feet perp of the NE ¼ 18-3-26 WPM which lies to the North of a line drawn WLY at right angles to the ELY limit of said quarter section through a point distant thereon 1186.68 feet from the NE corner of said quarter section EXC all mines and minerals as set forth in transfer no. 91-11586		
1047869	Caveat ACCEPTED Agreement dated 1998-07-07	1998/07/21	From/By: MTS Communications Inc. To: William F. Johnstone, as agent
1082082	Caveat ACCEPTED Waterline Easement Agrt dated 4 Aug 1998	2000/07/05	From/By: Southwest Stock Farm Ltd. To: By Donald John Sheldon, as agent
1082087	Caveat ACCEPTED Waterline Easement Agrt dated 17 Oct 1998	2000/07/05	From/By: Southwest Stock Farm Ltd. To: By Donald John Sheldon, as agent
1082088	Caveat ACCEPTED Waterline Easement Agrt dated 17 Oct 1998	2000/07/05	From/By: Southwest Stock Farm Ltd. To: By Donald John Sheldon, as agent
1086876	Caveat ACCEPTED Right-of-way Agrt dated 13 Aug 1999	2000/10/23	From/By: MTS Communications Inc. To: William F. Johnstone, as agent
1168714	$100,000,000 Mortgage	2005/09/01	The Bank of Nova Scotia

Notes:

1. The Maple Leaf Foods Inc. Mortgage has been postponed to The Bank of Nova Scotia Mortgage.
2. Inventory #'s 38ii, 48i, 50i, 50ii and 52i are to be included in a Sixth Supplemental Debenture by the Borrower and a Mortgage collateral thereto will be registered on behalf of The Bank of Nova Scotia against these properties.

APPENDIX C
TO SCHEDULE F

BIG SKY FARMS INC.

INVENTORY OF LEASED REAL PROPERTY

PRAIRIE HOG NURSERY TRANSACTION LANDS

Inv. # 18	*RM:* Key West #070	*Name:*	Hudson
Use:	Big Sky #4 Nursery Barn	*Registered Owner:*	Prairie Hog Production Inc.
Legal Description(s) and Registered Encumbrances			
	Surface Parcel # 108467725 Reference Land Description: NE Sec 03 Twp 08 Rge 23 W2 Ext 0 As described on Certificate of Title 00SE20578		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
105469308	$6,000,000 Mortgage (Note 1)	04-Oct-02	Canadian Imperial Bank of Commerce
105562234	Miscellaneous Interest	11-Oct-2002	Big Sky Farms Inc
105562278	Miscellaneous Interest	11-Oct-2002	The Bank of Nova Scotia
105469331	Lease-10 years or more	04-Oct-02	Big Sky Farms Inc.
105562290	$100,000,000 Mortgage	11-Oct-2002	The Bank of Nova Scotia
105469364	Miscellaneous Interest	04-Oct-2002	Big Sky Farms Inc
105562470	Miscellaneous Interest	11-Oct-2002	The Bank of Nova Scotia
105562256	CNV Personal Property Security Interest	11-Oct-2002	The Bank of Nova Scotia
105562267	Miscellaneous Interest	11-Oct-2002	The Bank of Nova Scotia

Inv. # 25	*RM:* Invermay #305	*Name:*	Mainroad
Use:	Big Sky #5 Nursery Barn	*Registered Owner:*	Prairie Hog Production Inc.
Legal Description(s) and Registered Encumbrances			
	Surface Parcel # 141639284 Reference Land Description: NW Sec 01 Twp 32 Rge 08 W2 Extension 0 As described on Certificate of Title 00Y07312		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
105469308	$6,000,000 Mortgage (Note 1)	04-Oct-02	Canadian Imperial Bank of Commerce
105562234	Miscellaneous Interest	11-Oct-2002	Big Sky Farms Inc
105562278	Miscellaneous Interest	11-Oct-2002	The Bank of Nova Scotia
105469331	Lease-10 years or more	04-Oct-02	Big Sky Farms Inc.
105562290	$100,000,000 Mortgage	11-Oct-2002	The Bank of Nova Scotia
105469364	Miscellaneous Interest	4-Oct-2002	Big Sky Farms Inc
105562470	Miscellaneous Interest	11-Oct-2002	The Bank of Nova Scotia
105562256	CNV Personal Property Security Interest	11-Oct-2002	The Bank of Nova Scotia
105562267	Miscellaneous Interest	11-Oct-2002	The Bank of Nova Scotia
107887933	Saskatchewan Watershed Authority Act, 2005 – Notice (s.64)	16-April-2003	Saskatchewan Watershed Authority.

PRAIRIE HOG MATSALLA TRANSACTION LANDS

Inv. # 26	*RM:* Invermay # 305	*Name:*	Matsalla
Use:	Big Sky #5 Feeder Barn 1	*Registered Owner:*	Prairie Hog Production Inc.
Legal Description(s) and Registered Encumbrances			
.	Surface Parcel # 143031631 Reference Land Description: NW Sec 12 Twp 33 Rge 07 W2 Ext 0 As described on Certificate of Title 00Y07197		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
108034310	Saskatchewan Watershed Authority Act, 2005 – Notice (s.64)	12-May-2003	Saskatchewan Watershed Authority
108825576	$2,405,000 Mortgage (Note 1)	13-May-2004	Canadian Imperial Bank of Commerce
108911280	Miscellaneous Interest	31-May-2004	Big Sky Farms Inc
108911291	Miscellaneous Interest	31-May-2004	The Bank of Nova Scotia
108825891	Miscellaneous Interest	13-May-2004	Canadian Imperial Bank of Commerce
108825925	Lease-10 years or more	13-May-2004	Big Sky Farms Inc.
108911303	$100,000,000 Mortgage	31-May-2004	The Bank of Nova Scotia
108825947	Miscellaneous Interest	13-May-2004	Big Sky Farms Inc
108911358	Miscellaneous Interest	31-May-2004	The Bank of Nova Scotia
108911099	Miscellaneous Interest	31-May-2004	The Bank of Nova Scotia
108911224	CNV Personal Property Security Interest	31-May-2004	The Bank of Nova Scotia

FINISHER NO. 1 CONTRACT FINISHING TRANSACTION

Inv. # 19	*RM:* Key West #070	*Name:*	Bacon
Use:	Big Sky#4 Feeder Barn 1	*Registered Owner:*	Big Sky Finishers (No. 1) Inc.
Legal Description(s) and Registered Encumbrances			
	Surface Parcel # 108475454 Reference Land Description: SE Sec 18 Twp 08 Rge 22 W2 Ext 0 As described on Certificate of Title 00SE21467		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
108031575	Saskatchewan Watershed Authority Act, 2005 – Notice (s.64)	09-May-2003	Saskatchewan Watershed Authority
108129887	$7,950,000 Mortgage (Note 1)	18-June-2003	National Bank of Canada, Farm Credit Canada and Conexus Credit Union
108143164	Miscellaneous Interest	24-June-2003	Big Sky Farms Inc
108143175	Miscellaneous Interest	24-June-2003	The Bank of Nova Scotia
108129933	Miscellaneous Interest	18-June-2003	Big Sky Farms Inc
108143221	Miscellaneous Interest	24-June-2003	The Bank of Nova Scotia
108129955	Miscellaneous Interest	18-June-2003	Big Sky Farms Inc
108143221	Miscellaneous Interest	24-June-2003	The Bank of Nova Scotia

Inv. # 20	*RM:* Key West #070	*Name:*	Iversen
Use:	Big Sky#4 Feeder Barn 2	*Registered Owner:*	Big Sky Finishers (No. 1) Inc.
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel # 108475230 Reference Land Description: NW Sec 11 Twp 08 Rge 22 W2 Ext 1 As described on Certificate of Title 00SE21468		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
108058585	Easement Non-Mutual (Dominant)	20-May-2003	
108129854	Easement Non-Mutual (Dominant)	18-June-2003	
108129887	$7,950,000 Mortgage (Note 1)	18-June-2003	National Bank of Canada, Farm Credit Canada and Conexus Credit Union
108143164	Miscellaneous Interest	24-June-2003	Big Sky Farms Inc
108143175	Miscellaneous Interest	24-June-2003	The Bank of Nova Scotia
108129933	Miscellaneous Interest	18-June-2003	Big Sky Farms Inc
108143221	Miscellaneous Interest	24-June-2003	The Bank of Nova Scotia
108129955	Miscellaneous Interest	18-June-2003	Big Sky Farms Inc
108143221	Miscellaneous Interest	24-June-2003	The Bank of Nova Scotia

ii.	Surface Parcel # 108461000 Reference Land Description: NW Sec 11 Twp 08 Rge 22 W2 Ext 2 As described on Certificate of Title 00SE21468		
108035120	Saskatchewan Watershed Authority Act, 2005 – Notice (s.64)	12-May-2003	Saskatchewan Watershed Authority
108058585	Easement Non-Mutual (Dominant)	20-May-2003	
108129854	Easement Non-Mutual (Dominant)	18-June-2003	
108129887	$7,950,000 Mortgage (Note 1)	18-June-2003	National Bank of Canada, Farm Credit Canada and Conexus Credit Union
108143164	Miscellaneous Interest	24-June-2003	Big Sky Farms Inc
108143175	Miscellaneous Interest	24-June-2003	The Bank of Nova Scotia
108129933	Miscellaneous Interest	18-June-2003	Big Sky Farms Inc
108143221	Miscellaneous Interest	24-June-2003	The Bank of Nova Scotia
108129955	Miscellaneous Interest	18-June-2003	Big Sky Farms Inc
108143221	Miscellaneous Interest	24-June-2003	The Bank of Nova Scotia

SASKATOON TRUCK WASH PROPERTY

Inv. # 45	*UM:* Saskatoon	*Name:*	Saskatoon Truck Wash
Use:	Truck Wash	*Registered Owner:*	SKL Truck & Trailer Wash Inc.
Legal Description(s) and Registered Encumbrances			
.	Surface Parcel # 119989625 Reference Land Description: Lot13 Blk/Par 536Plan 66S18566 Ext 0 As described on Certificate of Title 99SA27805		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
108612356	Lease – less than 10 years	02-Feb-2004	Big Sky Farms Inc.
6 additional encumbrances not included in this Appendix as they affect the landlord's interest, not the interest of Big Sky.			

1. These mortgages, granted by Prairie Hog Production Inc in favour of Canadian Imperial Bank of Commerce and Big Sky Finishers (No. 1) Inc in favour of National Bank of Canada, Farm Credit Canada and Conexus Credit Union do not secure any obligations of the Obligors.

Schedule 1.1(x) – Permitted Liens

Permitted Liens includes:

1. All security of whatsoever kind or nature now or hereafter granted by the Borrower and/or granted by any Affiliate of the Borrower, in any and/or all real or personal property of the Borrower or of any Affiliate of the Borrower, of whatsoever kind or nature and whether now owned or hereafter acquired, to or in favour of any of the persons described in paragraphs (a) to (e) below and pursuant or collateral to the documents and agreements described in said paragraphs (a) to (e) below:

   (a) the Senior Operating Lender pursuant to the Senior Credit Agreement;

   (b) FCC Ventures, a division of Farm Credit Corporation ("FCCV") and Golden Opportunities Fund Inc. ("Golden"), pursuant to subordinated debentures dated October 16, 2006, in the principal sum of $1,500,000 each, granted by the Borrower to each of FCCV and Golden and pursuant to which FCCV and Golden have a Lien in all present and after acquired real and personal property of the Borrower (collectively, the "FG Debentures");

   (c) the Government of Saskatchewan pursuant to a short-term hog loan program agreement dated December 6, 2002 between the Borrower and Her Majesty the Queen in Right of Saskatchewan, as represented by the Minister of Agriculture, Food and Rural Revitalization (the "2002 Loan");

   (d) the Government of Saskatchewan pursuant to a short-term hog loan program agreement dated January 15, 2008 between the Borrower and Her Majesty the Queen in Right of Saskatchewan, as represented by the Minister of Agriculture, Food and Rural Revitalization (the "2008 Loan"); and

   (e) Florian Possberg and/or 10101902 Saskatchewan Ltd. pursuant to a secured guarantee from the Borrower of the obligations of 101015904 Saskatchewan Ltd. in the principal amount of $694,000 plus interest thereon at 5% per annum.

2. All subsisting registrations in the Saskatchewan and/or Manitoba Personal Property Registry as at the date hereof as disclosed in the Saskatchewan PPSA Search Results and the Manitoba PPSA Search Results in respect of Big Sky Farms Inc. each dated May 8, 2008, copies of which are attached hereto.

Schedule 4.5
Form of Warrants

Unless permitted under securities legislation, the holder of this Warrant or any shares issued upon its exercise will not trade such Warrant or shares before the date that is 4 months and a day after the later of (i) [*insert the distribution date*], and (ii) the date the issuer became a reporting issuer in any province or territory.

BIG SKY FARMS INC.

SHARE PURCHASE WARRANT

THIS IS TO CERTIFY THAT Golden Opportunities Fund Inc. (the "Holder") is hereby granted ◆ Warrants (the "Warrants") for value received. Each Warrant has the right, subject to the terms and conditions below, to subscribe for one Common Share (each, a "Common Share") in the capital of Big Sky Farms Inc. (the "Corporation"), as constituted at the date of this issuance.

Exercise of Warrants

1. The right to purchase Common Shares in the Corporation's capital can only be exercised by completing and executing the attached subscription form in the manner indicated, and by paying, in the form of certified cheque or money order, the subscription price for the number of Common Shares the Holder desires and is entitled to purchase. In order for any such right to be effective, the duly completed and executed subscription form and payment of subscription price must be delivered to the Corporation at 10333 8th Avenue, P.O. Box 610, Humboldt Saskatchewan S0K 2A0, but not later than the Expiry Time designated in Section 6.

2. Subject to any applicable adjustments provided for in this Share Purchase Warrant, the price payable for each Common Share upon the exercise of the Warrants will be $0.01 in Canadian money.

3. Upon surrender of the Warrants and payment of their subscription price, the Corporation will issue to the Holder the number of Common Shares subscribed for and the Holder will become a shareholder of the Corporation as of the date the Warrants were surrendered.

4. As soon as practicable after the surrender of the Warrants, the Corporation will mail to the Holder certificates evidencing the Common Shares subscribed for. The certificates will be mailed to the address(es) specified in the subscription form.

5. If the Holder subscribes for less Common Shares than the number of shares available for issuance under this Share Purchase Warrant, the Holder will be entitled to receive a further Share Purchase Warrant for the remaining shares under this Share Purchase Warrant that were not subscribed for.

6. This Share Purchase Warrant may be exercised in the manner provided above at any time on or prior to, but not after, 5:00 p.m. (Central Standard Time) ◆ **[NTD: Insert date that is two years from issuance.]** (the "Expiry Time") after which all unexercised Warrants shall be null and void.

Transfer or Loss of Warrants

7. Subject to applicable securities legislation, this Share Purchase Warrant is transferable without prior written approval from the Corporation. Upon transfer of this Share Purchase Warrant, each party receiving Warrants will be entitled to receive a Share Purchase Warrant for the Warrants received and the Holder will be entitled to a Share Purchase Warrant for any Warrants it continues to hold.

8. If this Share Purchase Warrant is stolen, lost, mutilated or destroyed, the Corporation may issue a new Share Purchase Warrant of similar denomination, tenor, and date. The Corporation may issue the new Share Purchase Warrant on such reasonable terms as to indemnity or otherwise as it may impose in its discretion. The Share Purchase Warrant will not entitle the Holder to any rights whatsoever as a shareholder of the Corporation.

Resale Restrictions on Shares

9. Common Shares of the Corporation issued on the exercise of this Share Purchase Warrant are subject to the resale restrictions of applicable securities laws until:

    (a) the appropriate hold period is satisfied,

    (b) the holder can rely upon a further statutory exemption, or

    (c) a proper discretionary order is obtained.

Subdivisions and Consolidations of Shares

10. If at any time within the duration of this Share Purchase Warrant the Common Shares are subdivided or changed into a greater number of Common Shares, and Warrants are subsequently exercised, the Corporation will deliver to the subscriber at the time of purchase an additional number of Common Shares as would result from such subdivision or change had the right to purchase been exercised before the subdivision or change occurred. No added payment will be required from the subscriber in consideration for these additional shares.

11. If at any time within the duration of this Share Purchase Warrant the Common Shares are consolidated into a lesser number of Common Shares, and Warrants are subsequently exercised, the Corporation will deliver to the subscriber at the time of purchase a lesser number of Common Shares as would result from such consolidation had the right to purchase been exercised before the consolidation occurred. The subscriber will unconditionally accept this number of Common Shares in lieu of the number to which they are entitled.

Distributions on Shares

12. If at any time within the duration of this Share Purchase Warrant the Corporation distributes to the holders of all or substantially all of the Common Shares in the capital of the Corporation any:

    (a) class of shares or rights,

    (b) options or warrants (other than those referred to above),

    (c) evidence of indebtedness, or

    (d) property (excluding cash dividends paid in the ordinary course) the number of shares to be issued by the Corporation under this Share Purchase Warrant will be appropriately adjusted; provided that in any event the Holder shall be entitled to participate in any such distribution on terms no less favourable than offered to such holders of Common Shares in the capital of the Corporation. In lieu of the number of shares for which the subscriber is entitled when subsequently exercising its Warrants, the Corporation will deliver to the subscriber at the time of purchase the aggregate number of shares, other securities, or property that the subscriber would have been entitled to receive from such distribution had the subscriber exercised the right to purchase before the distribution occurred.

13. If at any time within the duration of this Share Purchase Warrant the Corporation pays any stock dividend upon a class of its own shares for which the right to purchase is then given under this Share Purchase Warrant, and Warrants are subsequently exercised, the Corporation will deliver to the subscriber at the time of purchase an equivalent additional number of Common Shares in lieu of such stock dividend as would have been payable on the shares of the Corporation if the shares had been outstanding on the record date for the payment of the stock dividend.

Reclassifications of Shares

14. If at any time within the duration of this Share Purchase Warrant the Corporation reclassifies any of the Common Shares the Corporation will deliver to the subscriber at the time of purchase the number of shares of the Corporation of the appropriate class resulting from such reclassification as the subscriber would have been entitled to receive in Common Shares had the right of purchase been exercised before the reclassification occurred.

Consolidation, Amalgamation or Merger

15. If the Corporation undergoes a capital reorganization (a "Capital Reorganization"), in that:

    (a) the Corporation consolidates, amalgamates or merges with or into any other corporate entity and it results in the reclassification of the Corporation's outstanding Common Shares of the Corporation (or their change into other shares);

    (b) one or more of the Corporation's shareholders sell a controlling interest in the Corporation to another corporate entity in exchange for securities or other property in that corporate entity; or

    (c) the Corporation's undertaking or assets are transferred as an entirety, or substantially as an entirety, to another corporate entity,

    the subscriber, upon subsequently exercising its right to Common Shares under this Share Purchase Warrant, will be entitled to receive and will accept in lieu of the Common Shares it was entitled to receive, the aggregate number of shares, other securities, or other property to which the subscriber would have been entitled from the Capital Reorganization if the subscriber had exercised the right to purchase before the Capital Reorganization and the subscriber participated in it.

16. The Corporation will provide the Holder with as much advance notice of any Capital Reorganization as is reasonably practicable. At minimum, the Corporation will notify the Holder before the record date set for the Capital Reorganization.

17. The Corporation will make reasonable efforts to ensure that any other corporate entity which is a party to the Capital Reorganization will be obligated, along with the Corporation, to issue a

replacement Share Purchase Warrant. This new Share Purchase Warrant will reflect the Holder's entitlement as a result of the Capital Reorganization, such that the Holder's rights and privileges are directly extended by any successor corporate entity, or any parent or controlling corporate entity, that results from such Capital Reorganization.

Share Adjustments

18. Adjustments in the number of Common Shares issuable under the rights conferred by this Share Purchase Warrant as described above are cumulative. All such adjustments that apply to the particular issuance will be made.

19. Questions arising regarding the number of Common Shares issuable as a result of an adjustment will be determined conclusively by a firm of chartered accountants carrying on business in Saskatchewan. The firm will be nominated by the Corporation and may be the Corporation's auditors. Such accountants will have access to all the necessary records at the Corporation's office and their determination will be binding upon the Corporation and the Holder.

Representations

20. The Corporation makes the following representations:

    (a) The Corporation is duly authorized to create and issue this Share Purchase Warrant and issue the Common Shares described within it.

    (b) The Corporation's signature on this Share Purchase Warrant creates a valid and enforceable obligation on the Corporation, and the Corporation will duly issue from time to time the Common Shares subscribed for and their corresponding certificates in the manner provided by the terms contained in this document.

    (c) At all times within the duration of this Share Purchase Warrant, the Corporation will reserve and maintain out of its authorized capital a sufficient number of Common Shares to satisfy the right of purchase should the Holder of this Share Purchase Warrant decide to exercise such right for all the Common Shares called for by this Share Purchase Warrant.

    (d) All Common Shares that are issued upon the exercise of the right of issuance under this Share Purchase Warrant will be issued as fully paid, non-assessable Common Shares. The Holders will not be liable to the Corporation or its creditors in respect of the shares.

General Provisions

21. On the occurrence of each and every event described above, the applicable provisions of this Share Purchase Warrant are, *ipso facto*, deemed to be amended accordingly and the Corporation will take all necessary action to comply with such provisions as amended.

22. Time is of the essence for this Share Purchase Warrant.

23. The laws of Saskatchewan and the laws of Canada will govern the Share Purchase Warrant and its terms will be construed in accordance with those laws.

24. By receipt of this Warrant, the Holders and, if applicable, its transferees, successors and assigns:

(a) acknowledge that any and all Common Shares issued pursuant to the exercise of the Warrants shall be subject to the terms and conditions of that certain Shareholder Agreement made by the Corporation and certain of its shareholders and other securityholders dated as of October 16, 2006 (the "Shareholders' Agreement");

(b) acknowledge that it has received a copy of the Shareholders' Agreement; and

(c) agrees that, if it is not already a party to the Shareholders' Agreement it shall be a condition of the exercise of the Warrants hereunder that the person to who the Common Shares are to be issued shall have first executed or otherwise agreed in writing, in a manner satisfactory to the Corporation acting reasonably, to be bound by the Shareholders' Agreement.

BEFORE WITNESSES in Humboldt, Saskatchewan, the Corporation by its proper and duly authorized officers has executed this Share Purchase Warrant as of ◆.

BIG SKY FARMS INC.

Per: ______________________________

Per: ______________________________

SUBSCRIPTION FORM

TO: BIG SKY FARMS INC.

The undersigned Holder of the within Share Purchase Warrant hereby subscribes for ________ Common Shares ("Common Shares") in the capital of Big Sky Farms Inc. (the "Corporation"), referred to in the Share Purchase Warrant. In accordance with the conditions of the Share Purchase Warrant, the Holder encloses payment of the purchase price for the number of Common Shares subscribed for.

The undersigned hereby directs that the Common Shares hereby subscribed for be issued and delivered as follows:

Name in Full	Address in Full	Number of Shares

NOTE: Please state full names in which share certificates are to be signed, including Mr., Mrs., Ms. or Miss. If any of the shares are to be issued to a person (or persons) other than the bearer, the bearer must pay the Corporation all exigible transfer taxes and/or fees.

DATED this ___ day of ____________, 20___.

____
Name of Subscriber (please print)

____
Signature

INSTRUCTIONS FOR SUBSCRIPTION

1. The subscription form is to be signed by the subscriber, whether the registered Holder or any assignee. The signature of the registered Holder must correspond in every particular with the name written upon the face of the warrant. If the subscription is signed by an assignee, it must correspond in every particular with the name written of the assignee shown on the assignment. Where more than one Holder jointly subscribes, all must sign the form.

2. Signatures may be made by an agent or attorney if the authority of the agent or attorney to sign is proven to the satisfaction of the Corporation.

3. This subscription form must be signed and surrendered at the office of the Corporation in Humboldt, Saskatchewan.

4. No fraction of warrants may be bought or sold.

5. Upon surrender, the Corporation will issue to the person or persons named in the subscription form the number of Common Shares subscribed for. Such persons will be shareholders of the Corporation in respect of the Common Shares as at the date of surrender and payment.

6. As soon as practicable after surrender and payment the Corporation will mail to such persons at the address or addresses specified in the subscription form a certificate or certificates evidencing the Common Shares subscribed for.

7. If the Holder subscribes for a lesser number of Common Shares than the number of Common Shares referred to in the Share Purchase Warrant, the Holder will be entitled to receive a further Warrant in respect of Common Shares referred to in the Share Purchase Warrant, but not subscribed for.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers the within warrant and all rights represented thereby to ___________________, and does hereby irrevocably constitute and appoint ___________________ to enter the same on the books of Big Sky Farms Inc. with full power of substitution in the premises.

DATED this ___ day of ____________, 20___.

______________________ ______________________

(Signature of Guarantor) (Signature of Assignor)

INSTRUCTIONS FOR ASSIGNMENT

1. The signature on the foregoing assignment must correspond with the name written on the face of the warrant in every particular without alteration or enlargement or any change whatever and must be guaranteed by a Canadian chartered bank or by some other person satisfactory to the Corporation.

2. Assignments may only be made to one assignee unless the assignment is to a joint account. Where the assignment is not to assignees of a joint account, the Warrant should be first split into Warrants of smaller denominations.

3. A person may sign by agent or attorney if the signing authority of the agent or attorney is proven to the satisfaction of the Corporation.

Schedule 7.1(e) – Litigation

Nil

Schedule 7.1(g) – Tradenames, Predecessors

<u>Current Names</u>

Big Sky Farms Inc.

<u>Prior Names</u>

610401 Saskatchewan Ltd. (this is the name that the Borrower was incorporated under effective February 20, 1995. It changed its name to Big Sky Pork Inc. effective April 25, 1995)

Big Sky Pork Inc. (changed name to Big Sky Farms Inc. effective March 9, 1998)

Possberg Pork Farms Ltd. (amalgamated with, and continued under the name, Big Sky Farms Inc. effective June 30, 1999)

Schedule 7.1(h) - Defaults or Disputes

Nil

Schedule 7.1(n) – Indebtedness

Facility	Lender	Principal amount outstanding as at April 5, 2008
Senior Operating Credit Facilities	Senior Operating Lender	
- Credit B		$32,564,037.00
- Credit C		$ 7,550,000.00
- Credit D		$ 0.00
		$39,554,037.00
Saskatchewan Government Hog Loan	Government of Sask.	$ 540,509.00
Saskatchewan Government Loan (2008)	Government of Sask.	$ 5,028,641.00
Prairie Hog Capital Lease Obligation*	Prairie Hog Production Limited Partnership	$ 9,281,394.00
FG Debentures	FCCV and Golden	$ 3,000,000.00

Notes:
*Pursuant to a Lease made August 30, 2002 between the Borrower, as lessee, and Prairie Hog Production Inc., as general partner and on behalf of Prairie Hog Production Limited Partnership, with respect to the lands and buildings legally described as Surface Parcel #108467725 (NE 03 Twp 08 Rge 23 W2) and Surface Parcel #141639284 (NW 01 Twp 32 Rge 08 W2)

* The above table does not include amounts which may become owing pursuant to the Rights Offering, which amounts shall be considered permitted indebtedness under this Agreement.

*The above table does not include amounts which may become owing pursuant to a secured guarantee from the Borrower of the obligations of 101015904 Saskatchewan Ltd. in the principal amount of $694,000 plus interest thereon at 5% per annum, which amount shall be considered permitted indebtedness under this Agreement.

The above table excludes Credit A-1 and Credit A-2 of the Senior Operating Credit Facilities - i.e. operating lines of credit - in the combined maximum available amount of $24,500,000

Schedule 7.1(t) – Labour Matters

Nil

Schedule 8.2 – Form of Compliance Certificate

[DATE]

FCC Ventures, a division of Farm Credit Canada
c/o Avrio Investments Inc.
340 – 2618 Hopewell Place N.E.
Calgary, Alberta
T1Y 7J7
Attention: John Kennedy

Certificate of Chief Executive and Chief Financial Officers

Pursuant to Section 8.2 of the Credit Agreement dated as of <*>, 2008 (as the same may be amended, restated or otherwise modified from time to time, the "Credit Agreement") between Big Sky Farms Inc. (the "Borrower") and Golden Opportunities Fund Inc. (the "Lender"), enclosed are the financial statements of the Borrower for the ________ period ending <*>, as required by the Credit Agreement. All capitalized terms used herein has the meaning ascribed thereto in the Credit Agreement.

The undersigned certifies that, except as set forth in detail on the attached schedule which schedule also sets forth what action the Borrower has taken or proposes to take with respect thereto:

(i) all of the representations and warranties of the Borrower contained in the Credit Agreement and the Other Agreements are true, correct and complete as of this date as if made as of this date;

(ii) the Borrower is, at this date, in compliance with all of its covenants and agreements in the Credit Agreement and the Other Agreements;

(iii) no Default exists or existed during the period covered by the attached financial statements.

Except as attached hereto, no auditor, regulator or third party consultant has issued a management letter or other communication regarding the Borrower.

The Borrower has caused this certificate to be executed and delivered by its duly authorized officers this _____ day of _______________, 200___.

____
Name:
Title: President

____
Name:
Title: Chief Financial Officer

GENERAL SECURITY AGREEMENT

THIS Agreement is made by **BIG SKY FARMS INC.** (the "Debtor") as of the 9th day of May, 2008. in favour of **FCC VENTURES**, a division of **FARM CREDIT CANADA** (hereinafter referred to as the "Secured Party").

In consideration of the sum of $10 now paid by the Secured Party to the Debtor (the receipt and sufficiency of which is hereby acknowledged), the Debtor agrees with the Secured Party as follows:

1. INTERPRETATION

1.1 **Defined Terms:** In this Agreement, unless there is something in the subject matter or the context inconsistent therewith, capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to them in Section 1.1 to the Credit Agreement (defined below). The terms "Accession", "Accounts", "Chattel Paper", "Documents of Title", "Instruments", "Inventory", "Proceeds" and "Investment Property" and all other terms that are defined in the PPSA have the respective meanings attributed thereto in the PPSA. In addition, the following terms are defined as follows:

(a) **"Credit Agreement"** means the Credit Agreement dated concurrently with this Agreement between the Debtor and the Secured Party, as it may be amended, restated or replaced from time to time;

(b) **"Event of Default"** has the meaning attributed to such term in section 6.1;

(c) **"Lien"** means any mortgage, pledge, charge, assignment, security interest, hypothec, lien or other encumbrance, including, without limitation, any agreement to give any of the foregoing, or any conditional sale or other title retention agreement;

(d) **"Mortgaged Property"** means all of the undertaking, property and assets of the Debtor described in section 3.1 subject to, or intended to be subject to, the Security Interest, and any reference to "Mortgaged Property" shall be deemed to be a reference to "Mortgaged Property or any part of the Mortgaged Property" except where otherwise specifically provided;

(e) **"Permitted Liens"** has the meaning assigned thereto in the Credit Agreement;

(f) **"PPSA"** means *The Personal Property Security Act, 1993* (Saskatchewan) as amended from time to time and any Act substituted therefor and amendments thereto;

(g) **"Principal Sum"** has the meaning attributed to such term in section 2.1;

(h) **"Receiver"** has the meaning attributed to such term in section 7.1(a);

(i) **"Secured Obligations"** means all obligations owing from time to time by the Debtor under the Credit Agreement and any other agreement made by the Debtor with or commitment made by the Debtor in favour of the Secured Party;

(j) **"Secured Party"** means FCC Ventures, a division of Farm Credit Canada, it successors and assigns; and

(k) "**Security Interest**" means the mortgages, charges and security interests granted or created by sections 3.1 and 3.2 of this Agreement.

1.2 **References**: Any reference made in this Agreement to:

(a) "this Agreement" means this agreement as it may from time to time be supplemented or amended and in effect;

(b) any reference to "Debtor" or "Secured Party" shall be construed so as to include its respective successors and permitted assigns;

(c) sections, Articles or Schedules are, unless otherwise indicated, to the sections and Articles of and Schedules to this Agreement, as the case may be. The provisions of each Schedule shall constitute provisions of this Agreement as though repeated at length herein;

(d) a "Person" shall be construed as a reference to any individual, firm, company, corporation, joint venture, joint-stock company, trust, unincorporated organization, government or state entity or any association or a partnership (whether or not having separate legal personality) or two or more of the foregoing;

(e) "this Agreement", "herein", "hereof", "hereby", "hereto", "hereunder", and similar expressions refer to this Agreement and not to any particular Article, section or other provision hereof, and include any and every amendment restatement, replacement, variation, supplement or novation hereof;

(f) this Agreement or the Credit Agreement shall, unless otherwise indicated, be construed as a reference to such agreement as it may have been, or may from time to time be, amended, restated, replaced, varied, extended, renewed, supplemented or novated; and

(g) any legislation of any Governmental Body shall, unless otherwise indicated, be construed as a reference to such legislation as now enacted (including all regulations or directives issued or enacted pursuant thereto), all as the same may from time to time be amended re-enacted or replaced.

1.3 **Interpretation**: In this Agreement:

(a) the singular includes the plural and vice-versa;

(b) "in writing" or "written" includes printing and typewriting, which may be communicated by facsimile;

(c) the word "including", when following any general statement, term or matter, is not to be construed to limit such general statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto, but rather is to be construed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter;

(d) any reference to a statute includes and is a reference to such statute and to the regulations made pursuant thereto, with all amendments made thereto and in force from time to time, and to any statute or regulation that may be passed which has the effect of supplementing or superseding such statute or such regulation;

(e) any reference to a corporate entity includes and is also a reference to any corporate entity that is a successor to such entity;

(f) words importing the masculine gender include the feminine or neuter gender and words in the singular include the plural and vice versa; and

(g) the inclusion of any reference to Permitted Liens is not intended to, and shall not subordinate, and shall not be interpreted as subordinating any Lien created by the Security to any Permitted Liens.

1.4 **Headings:** The division of this Agreement into Articles, sections, paragraphs and clauses and the insertion of headings are for convenience only and are to be ignored in construing or interpreting this Agreement.

1.5 **Canadian Dollars:** In this Agreement words or figures expressed in dollars or the symbol "$" without any other indication mean Canadian Dollars.

1.6 **Business Days:** Where this Agreement requires a payment to be made or a thing to be done on a day and such day is not a Business Day, then this Agreement shall be deemed to provide that such payment shall be made or such thing shall be done on the next Business Day, unless such next Business Day would be in a different calendar month, in which case this Agreement shall be deemed to provide that such payment shall be made or such thing shall be done on the first preceding Business Day.

1.7 **Severability:** If any of the provisions of this Agreement shall be unenforceable, illegal or invalid in any jurisdiction the validity and enforceability of such provisions in any other jurisdiction shall not be impaired thereby nor shall the enforceability and validity of any other provisions of this Agreement be impaired thereby.

2. ACKNOWLEDGMENT OF INDEBTEDNESS

2.1 **Acknowledgement of Indebtedness**: For value received, the Debtor acknowledges that it will pay to the Secured Party the Secured Obligations as and when the same shall become due and payable. In the event that default is made by the Debtor in the payment of any part of the Secured Obligations or in the event that default is made by the Debtor in the observance or performance of any of the Debtor's covenants, expressed or implied in any agreement with the Secured Party relating to the Secured Obligations or in other security, including this Agreement, granted by the Debtor to the Secured Party to secure payment of the Secured Obligations, the Debtor will pay to the Secured Party in lawful money of Canada at the office of the Secured Party, or at such other place as the Secured Party may, from time to time, designate in writing, on demand by the Secured Party, the full balance of the principal portion of the Secured Obligations together with any interest thereon and all costs, charges and expenses paid or incurred by the Secured Party in obtaining, maintaining, protecting or enforcing the security of the Secured Party under this Agreement. Following demand, the Debtor shall pay the Secured Party interest on the Secured Obligations at the rate of 21.0% per annum, calculated on the basis of a 365-day year for the actual days elapsed and compounded monthly not in advance, both before and after maturity, default and judgment, until paid, or such lesser rate or rates as may be provided for in the Credit Agreement or other instruments of debt representing the Secured Obligations including any promissory note or notes. The amount secured by this Agreement shall be limited to the aggregate of:

(a) the sum of **TWO HUNDRED AND FIFTY THOUSAND DOLLARS** ($250,000) (the "Principal Sum"); and

(b) a sum equivalent to interest on the Principal Sum as may remain from time to time unpaid at the aforesaid rate or rates of interest.

2.2 **Renewal**: Any agreement for renewal or extension of the term for payment of the Principal Sum or the Secured Obligations or other moneys secured by this Agreement need not be registered but shall be effective and binding on the Debtor and on any subsequent mortgagee of or party interested in the Mortgaged Property, or any part of the Mortgaged Property, and shall take priority as against any assignee or subsequent mortgagee or other party when executed and such renewal shall not release or affect any agreement in this Agreement or collateral to this Agreement.

3. GRANT OF SECURITY

3.1 **Grant of Security**: As security for the payment of the Principal Sum and interest and as security for the Secured Obligations the Debtor hereby:

(a) subject to sections 3.2 and 3.3, mortgages and charges in favour of the Secured Party and hereby grants to the Secured Party a security interest in, all its undertaking and present and after-acquired property of whatever nature or kind and wherever situated, whether real or personal, tangible or intangible, movable or immovable (the "Mortgaged Property"), including without limitation, all of the good will of the Debtor in connection with its business; and

(b) for greater certainty and without limiting the generality of the foregoing the Debtor hereby mortgages and charges in favour of the Secured Party all its estate and interest in:

(i) all real and immovable property of every nature and kind (whether freehold or leasehold) now owned or which may be acquired in the future, together with all buildings, structures, improvements or fixtures situate on or in, or forming part of such lands; and

(ii) all existing and future accounts, general intangibles and contract rights wherever located.

3.2 **Exception for Last Day of Leases**: The Security Interest granted by this Agreement does not and shall not extend to, and the Mortgaged Property shall not include, the last day of the term of any lease or sub-lease, oral or written, now held or which may in the future be acquired by the Debtor, but upon the sale of the leasehold interest or any part of the leasehold interest, the Debtor shall stand possessed of such last day in trust to assign the leasehold interest as the Secured Party shall direct.

3.3 **Exception for Contractual Rights**: The Security Interest granted by this Agreement does not and shall not extend to, and the Mortgaged Property shall not include, any agreement, right, franchise, license or permit (collectively, the "contractual rights") to which the Debtor is a party or of which the Debtor has the benefit, to the extent that the creation of the Security Interest in such contractual rights would constitute a breach of the terms of or permit any person to terminate the contractual rights, but the Debtor shall hold its interest in such contractual rights in trust for the Secured Party and shall assign such contractual rights to the Secured Party immediately upon obtaining the consent of the other party to the contractual rights. The Debtor agrees that it shall, upon the request of the Secured Party, use all commercially reasonable efforts to obtain any consent required to permit any contractual rights to be subjected to the Security Interest.

3.4 **Attachment**: The attachment of the Security Interest has not been postponed and the Security Interest shall attach to any particular Mortgaged Property as soon as the Debtor has rights in such Mortgaged Property.

4. AGREEMENTS OF THE DEBTOR

4.1 **General Covenants**: The Debtor agrees that:

(a) it shall pay, satisfy and perform all of its obligations when due under this Agreement, the Credit Agreement or any other instrument or document giving rise to such obligation;

(b) it shall deliver to the Secured Party from time to time promptly upon request:

(i) any Documents of Title, Instruments, Investment Property and Chattel Paper constituting, representing or relating to the Mortgaged Property;

(ii) all statements of accounts, bills, invoices and books of account relating to Accounts and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Mortgaged Property for the purpose of inspecting, auditing or copying the same;

(iii) all financial statements prepared by or for it regarding its business;

(iv) all policies and certificates of insurance relating to the Mortgaged Property; and

(v) such information concerning the Mortgaged Property, the Debtor and its business and affairs as the Secured Party may reasonably request;

(c) it shall not change its name without giving prior written notice to the Secured Party of the new name and the date upon which such change of name is to take effect; and

(d) it shall do, execute, acknowledge and deliver such financing statements and further assignments, transfers, documents, acts, matters and things (including further schedules to this Agreement) as may be reasonably requested by the Secured Party or with respect to the Mortgaged Property in order to give effect to this Agreement.

4.2 **Verification of Mortgaged Property:** The Secured Party shall have the right at any time and from time to time to verify the existence and state of the Mortgaged Property in any manner the Secured Party may consider appropriate and the Debtor agrees to furnish all assistance and information and to perform all such acts as the Secured Party may reasonably request in connection therewith and for such purpose to grant to the Secured Party or its agents access to all places where the Mortgaged Property may be located and to all premises occupied by the Debtor.

4.3 **Further Assurances:** The Debtor shall at its own expense do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all such further acts, deeds, mortgages, pledges, charges, assignments, security agreements, hypothecs, and assurances (including instruments supplementary or ancillary to this Agreement) and such financing statements as the Secured Party may from time to time request to better assure and perfect its security on the Mortgaged Property or any part of the Mortgaged Property including, without limitation, specifically mortgaging, pledging, charging, assigning and hypothecating in favour of the Secured Party the right, title and interest of the Debtor in all property and assets subject to, or intended to be subject to, the mortgages, charges and security interests created by section 3.1 which any Debtor shall hereafter acquire.

4.4 **Expenses:** The Debtor shall pay to the Secured Party on demand all of the Secured Party's reasonable costs, charges and expenses (including, without limitation, legal fees on a solicitor and his own client basis and Receiver's fees) in connection with the preparation, registration or amendment of this Agreement, the perfection or preservation of the Security Interest, the enforcement by any means of any of the provisions of this Agreement or the exercise of any rights, powers or remedies under this Agreement, including, without limitation, all such costs, charges and expenses in connection with taking possession of the Mortgaged Property, carrying on the Debtor's business, collecting the Debtor's accounts and taking custody of, preserving, repairing, processing, preparing for disposition and disposing of Mortgaged Property, together with interest on such costs, charges and expenses from the dates incurred to the date of payment at the rate of 21% per annum or such lesser rate as may be provided for in the instruments of debt representing the Secured Obligations.

5. COLLECTION OF DEBTS

5.1 **Collection of Debts**: After the occurrence of an Event of Default, the Secured Party may give notice of the Security Interest to any person obligated to pay any debt or liability constituting Mortgaged Property and may also direct such person to make all payments on account of any such debt or liability to the Secured Party. The Debtor acknowledges that any payments received by any Debtor from such persons, whether before or after notification of the Security Interest to such persons and whether before or after the occurrence of an Event of Default, shall be received and held by the Debtor in trust for the Secured Party and shall be turned over to the Secured Party upon request.

6. EVENTS OF DEFAULT

6.1 **Events of Default:** The occurrence of any of the following events shall constitute an Event of Default:

(a) the Debtor defaults in payment when due (whether by way of scheduled payment, demand or otherwise) of an amount owing under the Credit Agreement or any other instrument or document in favour or for the benefit of the Secured Party;

(b) the Debtor defaults in the performance of any of its agreements contained in this Agreement, the Credit Agreement or any other instrument, security document or agreement between the Debtor and the Secured Party; or

(c) any representation and warranty of the Debtor contained in this Agreement, the Credit Agreement or any other certificate or other document given to the Secured Party or in any other instrument, security document or agreement between the Debtor and the Secured Party, proves to be untrue in any material respect.

6.2 **Acceleration**: Without in any way restricting the Secured Party's right to demand payment of the Secured Obligations together with interest at any time, upon the occurrence of an Event of Default, all moneys owing in respect of the Secured Obligations shall at the option of the Secured Party become immediately due and payable and all of the rights and remedies conferred by this Agreement in respect of the Mortgaged Property and the business of the Debtor shall become immediately enforceable and any and all additional and collateral security for payment or performance of the Secured Obligations shall become immediately enforceable.

7. REMEDIES

7.1 **Remedies**: Upon the occurrence of an Event of Default, the Secured Party shall have the following rights, powers and remedies:

(a) to appoint, by instrument executed by the Secured Party, any person (whether an officer or employee of the Secured Party) to be a Secured Party or a receiver, manager or receiver and manager (the "Receiver") of the Mortgaged Property and to remove any Receiver so appointed and to appoint another if the Secured Party so desires; it being agreed that any Receiver appointed pursuant to the provisions of this Agreement shall have all of the powers of the Secured Party under this Agreement and in addition, shall have the power to carry on the business of the Debtor;

(b) to enter into any building, structure or works that form part of the Mortgaged Property or enter onto any premises where the Mortgaged Property may be located, and the Secured Party may render inoperable the whole or any part of the Mortgaged Property consisting of equipment;

(c) to take possession of all or any part of the Mortgaged Property with power to exclude the Debtor and its servants from the Mortgaged Property;

(d) to carry on, manage and conduct the business operations of the Debtor;

(e) to preserve, protect and maintain the Mortgaged Property and make such repairs, replacements and additions of the Mortgaged Property as the Secured Party shall deem advisable;

(f) receive all rents, incomes and profits of any kind whatsoever payable to the Debtor in respect of any of the Mortgaged Property;

(g) to pay all taxes, liens, encumbrances and other charges ranking in priority to the charge created by this Agreement;

(h) to pay all wages, salaries and commissions of employees of the Debtor;

(i) to enjoy and exercise all powers necessary or incidental to the performance of all rights, powers and remedies provided for in this Agreement including, without limitation, the power to purchase on credit, the power to borrow in the Debtor's name or in the name of the Receiver and to advance its own money to the Debtor at such rates of interest as it may deem reasonable, provided that the Receiver shall borrow money only with the prior consent of the Secured Party, and to grant security interests in the Mortgaged Property in priority to the security interest created by this Agreement, as security for the money so borrowed;

(j) to sell, lease or dispose of all or any part of the Mortgaged Property whether by public or private sale or lease or otherwise and on any terms so long as every aspect of the disposition is commercially reasonable, including, without limitation, terms that provide time for payment of credit; provided that:

(i) the Secured Party or the Receiver will not be required to sell, lease or dispose of the Mortgaged Property, but may peaceably and quietly take, hold, use, occupy, possess and enjoy the Mortgaged Property without molestation, eviction, hindrance or interruption by the Debtor or any other person or persons whomsoever for such period of time as is commercially reasonable;

(ii) the Secured Party or the Receiver may convey, transfer and assign to a purchaser or purchasers the title to any of the Mortgaged Property so sold and for such purpose the Secured Party or the Receiver may execute such transfers of land, bills of sale and other conveyances as may be required; and

(iii) subject to section 8.1, the Debtor will be entitled to be credited with the actual proceeds of any such sale, lease or other disposition only when such proceeds are received by the Secured Party or the Receiver in cash;

(k) to foreclose the Debtor's equity of redemption in any real property subject to the Security Interest;

(l) to take any steps or proceedings of any kind permitted by law or in equity or otherwise to enforce payment of the Secured Obligations or performance of any other covenant or obligation of the Debtor contained in this Agreement and to enjoy and exercise all of the rights and remedies of a secured party under the PPSA or of a mortgagee under *The Land Titles Act, 2000* (Saskatchewan) as the case may be, or under similar legislation from time to time in force where any part of the Mortgaged Property may be located;

(m) to dispose of all or any part of the Mortgaged Property in the condition in which it was on the date possession of it was taken, or after any commercially reasonable repair, processing or preparation for disposition;

(n) to sell or otherwise dispose of any part of the Mortgaged Property without giving any notice whatsoever where:

(i) the Mortgaged Property is perishable;

(ii) the Secured Party or the Receiver believes on reasonable grounds that the Mortgaged Property will decline rapidly in value;

(iii) the Mortgaged Property is of a type customarily sold on a recognized market;

(iv) the cost of care and storage of the Mortgaged Property is disproportionately large relative to its value;

(v) every person entitled by law to receive a notice of disposition consents in writing to the immediate disposition of the Mortgaged Property; or

(vi) the Receiver disposes of the Mortgaged Property in the course of the Debtor's business;

(o) to commence, continue or defend proceedings in any court of competent jurisdiction in the name of the Secured Party, the Receiver or the Debtor for the purpose of exercising any of the rights, powers and remedies set out in this section 7.1, including the institution of proceedings for the appointment of a receiver, manager or receiver and manager of the Mortgaged Property; and

(p) to apply to any court or courts of competent jurisdiction for the appointment of one or more Receivers of the Mortgaged Property with such powers as the court or courts making such appointment or appointments shall confer including, without limitation, all or any of the rights, powers and remedies set forth in this section 7.1;

(q) at the sole option of the Secured Party, provided notice is given to the Debtor in the manner required by the PPSA and to any other person to whom the PPSA requires notice be given, to elect to retain all or any part of the Mortgaged Property in satisfaction of the Secured Obligations.

7.2 **Receivership**: Upon the appointment of any Receiver or Receivers from time to time, the following provisions shall apply:

(a) such Receiver shall, subject to the terms of the instrument or court order appointing such Receiver, be vested with all of the rights, powers and remedies and discretions of the Secured Party set forth in section 7.1;

(b) the Secured Party may from time to time fix the remuneration of every such Receiver who shall be entitled to deduct the same out of the receipts derived from or comprising part of the Mortgaged Property or the proceeds of the Mortgaged Property;

(c) every Receiver shall be deemed to be the agent of the Debtor and not of the Secured Party for the purposes of:

(i) carrying on and managing the business and affairs of the Debtor; and

(ii) establishing liability for all of the acts or omissions of the Receiver while acting as such and the Secured Party shall not be in any way responsible for any acts or omissions on the part of any such Receiver, its officers, employees and agents;

provided, without restricting the generality of the foregoing, the Debtor irrevocably authorizes the Secured Party to give instructions to the Receiver relating to the performance of its powers and discretions set out in this Agreement.

(d) the appointment of every such Receiver by the Secured Party or anything which may be done by any such Receiver or the removal of any such Receiver or the termination of any such receivership shall not have the effect of constituting the Secured Party a mortgagee in possession in respect of the Mortgaged Property or any part of the Mortgaged Property;

(e) no such Receiver shall be liable to the Debtor to account for monies other than monies actually received by such Receiver in respect of the Mortgaged Property and a Receiver shall apply such monies so received in the manner provided in section 8.1;

(f) the Secured Party may at any time and from time to time terminate any such receivership by notice in writing executed by the Secured Party to any such Receiver;

(g) where a Receiver has been appointed and possession of the Mortgaged Property or any part thereof has been taken, all powers, functions, rights and privileges of each of the directors and officers of the Debtor with respect to such Mortgaged Property, business and undertaking of the Debtor shall cease except where the Secured Party gives its prior written consent to their continuance, and only to the extent permitted by that consent.

7.3 **Reasonable Notice**: Where under any rule of law or equity the Debtor is entitled to a period of reasonable notice before:

(a) a demand for payment under this Agreement (whether by reason of default or otherwise) must be satisfied by the Debtor; or

(b) any remedy may be taken under this Agreement,

that period of notice shall not in any event or under any circumstance exceed seven Business Days, but this clause shall not be construed as requiring a minimum of seven Business Days notice where a lesser period of notice would otherwise be permissible by law or equity by reason of the circumstances of the Debtor, the condition of the Mortgaged Property, or otherwise.

7.4 **Payments Made to Gain Priority**: If the Secured Party is at any time required to make a payment to defeat or honour the priority or possible priority of a mortgage, pledge, charge, assignment, security interest, hypothec, lien or other encumbrance on or in respect of all or any part of the Mortgaged Property, any such payment or payments and the costs, charges and expenses of the Secured Party in connection therewith (including legal fees on a solicitor and his own client basis) shall be payable by the Debtor on demand.

7.5 **Effect of Taking Remedies**:

(a) The exercise by the Secured Party of any of the powers or remedies contained in this Agreement shall not render the Secured Party a mortgagee in possession, and the Secured Party shall not be responsible or liable, otherwise than as a mortgagee, for any debts contracted by it for damages to persons or property, or for salaries or non-fulfilment of contract during any period where a manager or Receiver appointed by the Secured Party shall manage the Debtor or any part of the Mortgaged Property.

(b) The Secured Party shall not be liable to account as mortgagee in possession for anything except actual receipts or be liable for any loss or realization or for any default or omissions for which a mortgagee in possession might be liable.

(c) Neither the taking of judgment nor the exercise of a power of seizure or sale shall:

(i) extinguish the liability of the Debtor to pay the money secured under this Agreement or the Credit Agreement;

(ii) operate as a merger of any covenant or other obligation contained in this Agreement or the Credit Agreement,

nor shall the acceptance of any payment or other security constitute or create a novation.

7.6 **Remedies Not Exclusive**: All rights, powers and remedies of the Secured Party under this Agreement may be exercised separately or in combination and shall be in addition to, and not in substitution for, any other security now or which may in the future be held by the Secured Party and any other rights, powers and remedies of the Secured Party however created or arising. No single or partial exercise by the Secured Party of any of the rights, powers and remedies under this Agreement or under any other security now or which may in the future be held by the Secured Party shall preclude any other and further exercise of any other right, power or remedy pursuant to this Agreement or any other security or at law, in equity or otherwise. The Secured Party shall at all times have the right to proceed against Mortgaged Property or any other security in such order and in such manner as it shall determine without waiving any rights, powers or remedies which the Secured Party may have with respect to this Agreement or any other security or at law, in equity or otherwise. No delay or omission by the Secured Party in exercising any right, power or remedy under this Agreement or otherwise shall operate as a waiver of such right, power or remedy or of any other right, power or remedy.

7.7 **Debtor Liable for Deficiency**: In the case of any judicial or other steps or proceedings to enforce the security created by this Agreement, and without limiting any right of the Secured Party to obtain judgment for any greater amount, the Debtor shall remain liable to the Secured Party for any deficiency thereof after the proceeds of any sale, lease or disposition of the Mortgaged Property are received by the Secured Party.

7.8 **Exclusion of Liability of Secured Party and Receiver**: Unless otherwise provided by law, none of the Secured Party or any Receiver appointed by the Secured Party shall be liable for any failure to exercise its respective rights, powers or remedies arising under this Agreement, the Credit Agreement or otherwise, including without limitation any failure to take possession of, collect, enforce, realize, sell, lease or otherwise dispose of, preserve or protect the Mortgaged Property, to carry on all or any part of the business of the Debtor relating to the Mortgaged Property or to take any steps or proceedings for any such purposes. None of the Secured Party or any Receiver appointed by the Secured Party shall have any obligation to take any steps or proceedings to preserve rights against prior parties to or in respect of Mortgaged Property including without limitation any Instrument, Chattel Paper or Investment Property, whether or not in the Secured Party's or the Receiver's possession, and none of the Secured Party or any Receiver appointed by the Secured Party shall be liable for failure to do so. The Secured Party shall not have any obligation to keep identifiable any property in its possession consisting of tangible personal property. Subject to the foregoing, the Secured Party shall use reasonable care in the custody and preservation of the Mortgaged Property in its possession.

8. APPLICATION OF PROCEEDS

8.1 **Application of Proceeds**: The Proceeds arising from the enforcement of the Security Interest as a result of the possession by the Secured Party or the Receiver of the Mortgaged Property or from any sale, lease or other disposition of, or realization of security on, the Mortgaged Property (except following acceptance of Mortgaged Property in satisfaction of the Secured Obligations) shall be applied by the Secured Party or the Receiver in the following order, except to the extent otherwise required by law:

(a) first, in payment of the Secured Party's reasonable costs, charges and expenses (including legal fees on a solicitor and his own client basis) incurred in the exercise of all or any of the rights, powers or remedies granted to it under this Agreement, and in payment of the reasonable remuneration of the Receiver, if any, and the reasonable costs, charges and expenses incurred by the Receiver, if any, in the exercise of all or any of the rights, powers or remedies granted under this Agreement;

(b) second, in payment of amounts paid by the Secured Party or the Receiver pursuant to paragraph 7.1;

(c) third, in payment of all money borrowed or advanced by the Secured Party or the Receiver, if any, pursuant to the exercise of the rights, powers or remedies set out in this Agreement and any interest thereon;

(d) fourth, in payment of the remainder of the Secured Obligations in such order of application as the Secured Party may determine;

(e) fifth, subject to sections 8.2 and 8.3, to any person who has a security interest in Mortgaged Property that is subordinate to that of the Secured Party and whose interest:

 (i) was perfected by possession, the continuance of which was prevented by the Secured Party or the Receiver taking possession of Mortgaged Property; or

 (ii) was, immediately before the sale, lease or other disposition by the Secured Party or the Receiver, perfected by registration;

(f) sixth, subject to sections 8.2 and 8.3, to any other person with an interest in such Proceeds who has delivered a written notice to the Secured Party or the Receiver of the interest before the distribution of such Proceeds; and

(g) last, subject to sections 8.2 and 8.3, to the Debtor or any other person who is known by the Secured Party or the Receiver to be an owner of the Mortgaged Property.

8.2 **Proof of Interest**: The Secured Party or the Receiver may require any person mentioned in sections 8.1(e) through 8.1(g) to furnish proof of that person's interest, and unless the proof is furnished within ten days after demand by the Secured Party or the Receiver, the Secured Party or the Receiver need not pay over any portion of the Proceeds referred to in such clauses to such person.

8.3 **Payment Into Court**: Where there is a question as to who is entitled to receive payment under sections 8.1(e) through 8.1(g), the Secured Party or the Receiver may pay the Proceeds referred to in such clauses into court.

8.4 **Moneys Actually Received**: The Debtor shall be entitled to be credited only with the actual Proceeds arising from the possession, sale, lease or other disposition of, or realization of security on, the Mortgaged Property when received by the Secured Party or the Receiver and such actual Proceeds shall mean all amounts received in cash by the Secured Party or the Receiver upon such possession, sale, lease or other disposition of, or realization of security on, the Mortgaged Property.

9. GENERAL

9.1 **Releases**: The Secured Party may in its discretion release any part of the Mortgaged Property or any other security either with or without any sufficient consideration therefor, without responsibility therefor and without thereby releasing the Debtor from the Secured Obligations or any part thereof, any other part of the Mortgaged Property or any other security or any person from the security created by this Agreement or from any of the covenants contained in this Agreement. Each and every portion into which the Mortgaged Property is or may hereafter be divided shall remain charged with the Secured Obligations. No person shall have the right to require the Secured Obligations to be apportioned.

9.2 **Power of Attorney**: The Debtor hereby appoints the Secured Party or any Receiver as the Debtor's attorney, with full power of substitution, in the name and on behalf of the Debtor to execute, deliver and do all such acts, deeds, leases, documents, transfers, demands, conveyances, assignments, contracts, assurances, consents, financing statements and things as the Debtor has agreed to execute, deliver and do or as may be required by the Secured Party or any Receiver to give effect to this Agreement or in the exercise of any rights, powers or remedies hereby conferred on the Secured Party, and generally to use the name of the Debtor in the exercise of all or any of the rights, powers or remedies hereby conferred on the Secured Party. This appointment is coupled with an interest in the Mortgaged Property and shall not be revoked by the insolvency, bankruptcy, dissolution, liquidation or other termination of the existence of a Debtor or for any other reason.

9.3 **Waiver**: The Debtor hereby agrees with the Secured Party that:

(a) *The Land Contracts (Actions) Act* (Saskatchewan) shall have no application to any action, as defined in *The Land Contract (Actions) Act,* with respect to this Agreement;

(b) *The Limitation of Civil Rights Act* (Saskatchewan), as well as Part IV of *The Saskatchewan Farm Security Act* shall have no application to:

(i) this Agreement;

(ii) any mortgage, charge or other security for the payment of money made, given or created by this Agreement;

(iii) any agreement or instrument renewing or extending or collateral to this Agreement or renewing or extending or collateral to any mortgage, charge or other security referred to or mentioned in paragraphs 9.3(b)(i) or 9.3(b)(ii); or

(iv) the rights, powers or remedies of the Secured Party under this Agreement or under any mortgage, charge or other security, agreement or instrument referred to or mentioned in paragraphs 9.3(b)(i) through 9.3(b)(iii);

(c) the Debtor hereby waives the right to receive a copy of any financing statement or financing change statement, or any statement issued by any registry that confirms the registration of a financing statement or financing change statement, relating to this Agreement, the Credit Agreement or any other agreement between the Debtor and the

Secured Party.

9.4 **Dealings with Others**: The Secured Party may grant extensions of time and other indulgences, take and give up security, accept compositions, make settlements, grant releases and discharges and otherwise deal with the Debtor, debtors of the Debtor, sureties and other persons and with Mortgaged Property and other security as the Secured Party sees fit, without prejudice to the liability of the Debtor to the Secured Party or the rights, powers and remedies of the Secured Party under this Agreement.

9.5 **No Obligation to Advance**: Nothing in this Agreement shall in any way obligate the Secured Party to advance any funds, or otherwise make or continue to make any credit available to the Debtor.

9.6 **Perfection of Security**: The Debtor authorizes the Secured Party to file such financing statements and other documents and do such acts, matters and things as the Secured Party may consider appropriate to perfect and continue the Security Interest, to protect and preserve the interest of the Secured Party in Mortgaged Property and to realize upon the Security Interest.

9.7 **Discharge**: The Security Interest created by this Agreement shall remain in full force and effect until the Secured Obligations by this Agreement are paid in full to the Secured Party and the Secured Party has executed a discharge of this Agreement and such discharge has been fully registered under the provisions of *The Land Titles Act, 2000* (Saskatchewan) and the PPSA.

9.8 **Communication**: Any notice or other communication, including a demand or a direction, required or permitted to be given under this Agreement shall be in accordance with the Credit Agreement. Notwithstanding the preceding, if the PPSA requires that a notice or other communication be given in a specified manner, then any such notice or communication shall be given in such manner.

9.9 **Successors and Assigns**: This Agreement shall be binding on the Debtor and its successors and shall enure to the benefit of the Secured Party and its successors and assigns. This Agreement shall be assignable by the Secured Party free of any set-off, counterclaim or equities between the Debtor and the Secured Party, and the Debtor shall not assert against an assignee of the Secured Party any claim or defence that the Debtor has against the Secured Party.

9.10 **Amendment, Waiver**: No amendment or waiver of this Agreement shall be binding unless executed in writing by the party to be bound by the amendment or waiver. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

9.11 **Governing Law, Attornment**: This Agreement shall be governed by and construed in accordance with the laws of the Province of Saskatchewan and the laws of Canada applicable therein and the Debtors hereby irrevocably attorn to the jurisdiction of the courts of Saskatchewan.

9.12 **Copy Received**: The Debtor hereby acknowledges receipt of a copy of this Agreement.

IN WITNESS WHEREOF the Debtor has executed this Agreement as of the day and year first above written.

BIG SKY FARMS INC.

Per: ________________________

Per: ________________________

The post office address for the Secured Party is

FCC Ventures, a division of Farm Credit Canada
c/o Avrio Investments Inc.
340 – 2618 Hopewell Place N.E.
Calgary, Alberta
T1Y 7J7

Attention: John Kennedy
Fax: (905) 465-4331

Signature page to FCCV General Security Agreement