Big Sky Farms Inc.

Financial Report

For the Four Periods Ending Oct 18, 2008

THIS IS EXHIBIT " A " referred to in
the Affidavit of Canute Tagseth
SWORN before me at Saskatoon, SK
this 2 day of
November , 20 09

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

Big Sky Farms Inc.
Statement of Operations
For the Four Months Ending October 18, 2008

	October	YTD	Budget	Previous YTD
Revenue				
Hog Sales	10,211,044	39,646,437	39,570,700	39,234,491
Hog Inventory Adjustment	(441,581)	2,225,070	0	(125,331)
Total Hog Revenue	**9,769,463**	**41,871,507**	**39,570,700**	**39,109,160**
Other Revenue	32,359	22,639	130,769	222,267
Total Revenue	**9,801,822**	**41,894,146**	**39,701,469**	**39,331,428**
Feed Costs	**7,096,362**	**27,981,360**	**27,661,323**	**21,459,520**
Operating Expenses				
Communications	11,692	49,351	62,836	49,774
Power	142,536	562,673	687,801	654,551
Water Costs	44	151	0	2,387
Heating Fuel	66,472	178,300	232,444	146,957
General Insurance	90,748	358,740	455,277	366,599
Manure Removal	300,824	908,231	1,171,109	1,078,203
Repairs & Maintenance	205,805	898,234	848,667	1,031,891
Dead Disposal	20,330	78,348	84,466	103,409
Supplies	68,116	283,808	334,255	364,005
Property Taxes	44,135	174,809	93,738	137,431
Contract Facilities	525,370	1,946,312	1,646,154	984,108
Wages	811,431	3,332,311	3,299,016	3,446,376
Employee Benefits	116,098	504,939	449,831	544,551
Travel, Meals & Entertain	7,419	26,411	54,395	52,138
Breeding Herd Costs	93,205	(1,790,794)	844,774	562,219
Veterinary	187,137	712,052	871,274	862,236
Herd Health	15,445	86,121	99,946	82,036
AI Costs	130,480	580,086	546,671	578,815
Herd Health Export Fees	0	0	55,339	0
Trucking	748,395	3,186,367	3,144,422	3,661,353
Sales Costs	76,169	336,078	0	314,222
Large Corp Tax	0	0	0	40,985
Head Office Services	299,979	1,253,410	1,415,385	1,590,373
Total Operating Exp.	**3,961,829**	**13,665,936**	**16,397,801**	**16,654,618**
Operating Income	**(1,256,369)**	**246,850**	**(4,357,655)**	**1,217,289**
Fixed expenses				
Interest	562,778	2,077,500	1,875,668	1,882,587
Accretion on Financial Inst	37,814	237,821	0	40,688
Depreciation/Amortization	834,162	3,313,743	3,016,330	3,099,444
Total Fixed Exp.	**1,434,754**	**5,629,064**	**4,891,998**	**5,022,719**
Non-recurring Items	0	0	(468,000)	0
Net Income Before Taxes	**(2,691,123)**	**(5,382,214)**	**(8,781,653)**	**(3,805,430)**
Income taxes	(829,159)	(1,607,623)	(2,744,266)	(1,163,674)
Net Income	**(1,861,964)**	**(3,774,591)**	**(6,037,386)**	**(2,641,756)**

Big Sky Farms Inc.
Balance Sheet
October 18, 2008

	10/18/08	Budget	06/28/08
Current Assets			
Accounts Receivable	7,155,403	5,950,000	7,099,929
Inventory	34,983,486	33,145,000	33,066,969
Prepaid Insurance	73,840	550,000	448,997
	42,212,729	**39,645,000**	**40,615,895**
Land Building and Equipment			
Cost	149,647,707	150,855,000	150,256,484
less: Accumulated Depreciation	(48,368,019)	(49,231,331)	(46,467,067)
	101,279,688	**101,623,669**	**103,789,417**
Breeding Stock	**12,821,764**	**11,809,263**	**11,498,439**
Other Assets	**54,910**	**346,000**	**57,033**
	156,369,091	**153,423,932**	**155,960,785**
Current Liabilities			
Bank Overdraft	7,652,784	0	2,261,673
Line of Credit	22,000,000	28,623,009	22,000,000
Accounts Payable	10,559,323	10,217,333	9,837,893
Other liabilities	1,462,374	0	1,933,093
Interest Payable	705,684	0	322,774
Large Corporation Tax	18,794	0	18,794
Current Portion Senior Debt	41,465,372	40,114,037	41,076,336
Current Portion Subordinated Debt	1,525,000	600,000	925,000
Current Portion Capital Lease Obligation	828,284	645,000	649,651
	86,217,615	**80,199,378**	**79,025,213**
Long-Term Debt			
Senior Debt	4,065,568	5,706,018	4,743,720
Subordinated Debt	5,217,345	5,862,450	5,751,950
Capital Lease Obligation	8,301,498	8,919,928	8,530,245
	17,584,411	**20,488,396**	**19,025,915**
Interest Payable - Long term	244,054	0	208,178
Asset Retirement Obligation	286,186	281,000	282,438
Future Income Taxes	7,606,656	8,447,946	285,229
	111,938,922	**109,416,720**	**98,826,974**
Shareholders Equity			
Common Stock	39,466,962	39,474,962	39,466,962
Equity Portion of Compound Instruments	467,000	0	467,000
Contributed Surplus	4,970,597	4,970,597	4,970,597
Retained Earnings	3,300,202	5,599,040	21,923,578
Current Earnings	(3,774,591)	(6,037,386)	(9,694,326)
	44,430,170	**44,007,213**	**57,133,811**
	156,369,091	**153,423,933**	**155,960,785**

Big Sky Farms Inc.
Statement of Cash Flows
For the Four Months Ending October 18, 2008

	Month	YTD	Budget	Previous YTD
CASH FLOW FROM (USED IN) OPERATING ACTIVITIES				
Operating Income	(1,861,964)	(3,774,591)	2,381,919	(2,641,756)
Financial Insts Accretion	37,814	237,821	0	40,688
Depreciation and Amortization	834,162	3,313,743	3,274,000	3,099,444
Future income taxes	(829,159)	(1,607,623)	1,103,672	(1,163,674)
	(1,819,147)	(1,830,650)	6,759,591	(665,298)
Changes in non-cash working capital				
Accounts Receivable	1,259,604	(56,509)	(500)	926,923
Inventory Asset	1,163,363	(1,916,517)	(1,000)	(2,344)
Prepaid Insurance	97,913	375,157	(888,500)	375,433
Accounts Payable and Accrued Liabilities	(3,164,711)	670,531	21,000	1,463,136
LCT Tax payable	0	0	0	(5,015)
CASH FLOW FROM (USED IN) OPERATING ACTIVITIES	**(2,462,979)**	**(2,757,987)**	**5,890,591**	**2,092,836**
CASH FLOWS USED IN INVESTING ACTIVITIES				
Acquisition of Capital Assets	68,032	333,757	(601,600)	(943,699)
Breeding Herd	(94,863)	(2,457,348)	(786,400)	(1,470,092)
Deferred and start-up charges	4,725	2,123	0	(153,028)
CASH FLOWS USED IN INVESTING ACTIVITIES	**(22,106)**	**(2,121,468)**	**(1,388,000)**	**(2,566,819)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Change in Operating Line of Credit	0	0	(1,000,000)	2,000,000
Proceeds From Long-Term Debt	40,443	205,354	0	524,118
Repayment of Long-Term Debt	(89,822)	(479,189)	(3,047,000)	(3,008,115)
Preferred Shares	(37,814)	(237,821)	0	(40,688)
CASH FLOWS FROM FINANCING ACTIVITIES	**(87,193)**	**(511,656)**	**(4,047,000)**	**(524,685)**
NET INCREASE IN CASH	**(2,572,278)**	**(5,391,111)**	**455,591**	**(998,668)**
CASH POSITION BEGINNING OF PERIOD	**(5,080,506)**	**(2,261,673)**	**(129,500)**	**(129,544)**
CASH POSITION END OF PERIOD	**(7,652,784)**	**(7,652,784)**	**326,091**	**(1,128,212)**
REPRESENTED BY:				
Cash	(7,652,784)	(7,652,784)	326,091	(1,128,212)
	(7,652,784)	**(7,652,784)**	**326,091**	**(1,128,212)**

Big Sky Farms Inc.
Summary All Operations
For the Four Months Ending October 18, 2008

	Actual October	Budget	VAR	Actual Per Hog	Actual YTD	Budget YTD	VAR	Actual Per Hog	Budget Per Hog	Budget Jun 30
Market Hog Sales	62,037	58,684	(3,353)	$0.88	230,272	234,460	4,188	$0.85	$0.88	771,487
Price per 100 KG	132	136	4	0.00	132	136	4	0.00	0.00	0
Breeding Stock Sold	1,501	1,755	254	0.02	6,417	6,955	538	0.02	0.03	27,176
Feeder Pigs Sold	7,989	9,873	1,884	0.11	49,516	35,334	(14,182)	0.18	0.13	121,407
Isoweans Sold	17,832	12,180	(5,652)	0.25	66,066	48,496	(17,570)	0.24	0.18	157,553
Pigs Weaned	92,415	85,734	(6,681)	1.31	367,742	359,186	(8,556)	1.36	1.36	1,143,521
Revenue										
Market Hog Sales	8,909,168	8,490,453	(418,716)	126.38	34,028,403	33,998,645	(29,758)	126.01	128.31	122,836,517
Hog Sales:Breeding	418,702	505,965	87,263	5.94	1,781,494	2,007,196	225,702	6.60	7.58	7,725,643
Feeder Hog Sales	267,073	547,112	280,039	3.79	1,558,951	1,807,968	249,018	5.77	6.82	7,134,080
Isowean Sales	616,100	441,332	(174,769)	8.74	2,277,590	1,756,892	(520,699)	8.43	6.63	5,709,327
Hog Inventory Adjustment	(441,581)	0	441,581	(6.26)	2,225,070	0	(2,225,070)	8.24		0
Other Revenue	32,359	32,692	333	0.46	22,639	130,769	108,131	0.08	0.49	3,425,000
Total Revenue	9,801,822	10,017,553	215,731	139.04	41,894,146	39,701,469	(2,192,677)	155.14	149.83	146,830,568
Feed Costs	7,096,362	6,848,704	(247,658)	100.66	27,981,360	27,661,323	(320,036)	103.62	104.39	84,099,876
Operating Expenses										
Communications	11,692	14,827	3,135	0.17	49,351	62,836	13,485	0.18	0.24	193,927
Power	142,536	164,766	22,230	2.02	562,673	687,801	125,129	2.08	2.60	2,016,573
Water Costs	44	0	(44)	0.00	151	0	(151)	0.00		0
Heating Fuel	66,472	63,225	(3,247)	0.94	178,300	232,444	54,144	0.66	0.88	937,669
General Insurance	90,748	111,119	20,372	1.29	358,740	455,277	96,537	1.33	1.72	1,448,150
Manure Removal	300,824	316,043	15,219	4.27	908,231	1,171,109	262,878	3.36	4.42	2,558,692
Repairs & Maintenance	190,245	186,242	(4,003)	2.70	818,655	768,311	(50,344)	3.03	2.90	2,409,089
Dead Disposal	20,330	20,077	(253)	0.29	78,348	84,466	6,118	0.29	0.32	259,987
Contract Services	15,560	19,396	3,836	0.22	79,579	80,356	777	0.29	0.30	253,072
Supplies	68,116	83,288	15,172	0.97	283,808	334,255	50,446	1.05	1.26	1,081,966
Property Taxes	44,135	22,742	(21,393)	0.63	174,809	93,738	(81,070)	0.65	0.35	296,573
Contract Facilities	525,370	411,538	(113,832)	7.45	1,946,312	1,646,154	(300,158)	7.21	6.21	5,350,000
Wages	811,431	798,525	(12,906)	11.51	3,332,311	3,299,016	(33,295)	12.34	12.45	10,372,295
Employee Benefits	115,933	108,786	(7,147)	1.64	504,609	449,831	(54,779)	1.87	1.70	1,413,019
Staff Training	165	0	(165)	0.00	330	0	(330)	0.00		0
Travel Meals & Ent	7,419	13,055	5,636	0.11	26,411	54,395	27,984	0.10	0.21	170,390
Breeding Herd Costs	401,769	615,842	214,073	5.70	(702,702)	2,463,370	3,166,072	(2.60)	9.30	8,005,952
less sale of cull sows	(308,564)	(267,619)	40,945	(4.38)	(1,088,092)	(1,618,596)	(530,504)	(4.03)	(6.11)	(4,557,302)
Veterinary	172,735	215,452	42,717	2.45	642,381	871,274	228,894	2.38	3.29	2,813,343
Herd Health	15,445	24,679	9,234	0.22	86,121	99,946	13,825	0.32	0.38	321,241
AI Costs	130,480	129,525	(956)	1.85	580,086	546,671	(33,415)	2.15	2.06	1,727,350
Herd Health Export Fees	14,402	12,942	(1,461)	0.20	69,671	55,339	(14,332)	0.26	0.21	166,473
Trucking	748,395	787,670	39,275	10.62	3,186,367	3,144,422	(41,945)	11.80	11.87	10,543,793
Sales Costs	76,169	0	(76,169)	1.08	336,078	0	(336,078)	1.24		0
Head Office Services	299,979	353,846	53,868	4.26	1,253,410	1,415,385	161,975	4.64	5.34	4,600,001
Total Operating Exp.	3,961,829	4,205,966	244,137	56.20	13,665,936	16,397,801	2,731,865	50.61	61.88	52,382,253
Operating Income	(1,256,369)	(1,037,117)	219,252	(17.82)	246,850	(4,357,655)	(4,604,505)	0.91	(16.45)	10,348,439
Fixed expenses										
Interest	562,778	468,917	(93,861)	7.98	2,077,500	1,875,668	(201,832)	7.69	7.08	6,095,921
Debt Instruments Accretion	37,814	0	(37,814)	0.54	237,821	0	(237,821)	0.88		0
Depreciation & Amortization	834,162	754,082	(80,080)	11.83	3,313,743	3,016,330	(297,414)	12.27	11.38	9,803,075
Total Fixed Exp.	1,434,754	1,222,999	(211,755)	20.35	5,629,064	4,891,998	(737,066)	20.85	18.46	15,898,995
Non-recurring Items	0	(468,000)	(468,000)		0	(468,000)	(468,000)		(1.77)	(438,000)
Net Income Before Taxes	(2,691,123)	(1,792,116)	899,007	(38.17)	(5,382,214)	(8,781,653)	(3,399,439)	(19.93)	(33.14)	(5,112,557)
Income Taxes	(829,159)	(560,036)	269,123	(11.76)	(1,607,623)	(2,744,266)	(1,136,644)	(5.95)	(10.36)	(1,597,674)
Net Income	(1,861,964)	(1,232,080)	629,884	(26.41)	(3,774,591)	(6,037,386)	(2,262,795)	(13.98)	(22.78)	(3,514,883)

Big Sky Farms Inc.
3-Site Operations
For the Four Months Ending October 18, 2008

	Actual October	Budget	VAR	Actual Per Hog	Actual YTD	Budget YTD	VAR	Actual Per Hog	Budget Per Hog	Budget Jun 30
Market Hog Sales	38,947	37,581	(1,366)	$0.83	140,190	150,449	10,259	$0.80	$0.85	479,574
Price per 100 KG	130	133	3	0.00	128	133	5	0.00	0.00	0
Breeding Stock Sold	954	1,048	94	0.02	3,521	4,192	671	0.02	0.02	13,624
Feeder Pigs Sold	7,989	9,873	1,884	0.17	44,961	34,784	(10,177)	0.26	0.20	120,307
Isoweans Sold	17,832	12,180	(5,652)	0.38	62,205	48,496	(13,709)	0.36	0.27	157,553
Pigs Weaned	69,378	62,615	(6,763)	1.48	266,898	256,228	(10,670)	1.53	1.44	840,012
Revenue										
Market Hog Sales	5,493,160	5,361,507	(131,653)	117.23	20,271,402	21,511,385	1,239,983	116.18	120.95	75,081,198
Hog Sales:Breeding	263,279	310,208	46,929	5.62	971,724	1,240,832	269,108	5.57	6.98	4,032,704
Feeder Hog Sales	267,073	547,112	280,039	5.70	1,387,496	1,780,353	392,857	7.95	10.01	7,071,250
Isowean Sales	616,100	441,332	(174,769)	13.15	2,229,749	1,756,892	(472,857)	12.78	9.88	5,709,327
Hog Inventory Adjustment	(281,198)	0	281,198	(6.00)	1,044,243	0	(1,044,243)	5.98		0
Feeder Pig Transfers	36,459	0	(36,459)	0.78	183,843	0	(183,843)	1.05		0
Other Revenue	29,335	24,973	(4,362)	0.63	25,686	99,893	74,208	0.15	0.56	2,616,320
Total Revenue	6,424,209	6,685,132	260,923	137.09	26,114,142	26,389,355	275,212	149.67	148.37	94,510,798
Feed Costs	4,490,144	4,584,374	94,230	95.82	17,906,615	18,482,070	575,455	102.63	103.92	55,141,848
Operating Expenses										
Communications	7,541	9,076	1,535	0.16	29,619	36,304	6,685	0.17	0.20	117,988
Power	99,922	107,350	7,428	2.13	348,941	439,283	90,342	2.00	2.47	1,292,632
Water Costs	0	0	0		106	0	(106)	0.00		0
Heating Fuel	29,599	36,154	6,555	0.63	72,941	111,687	38,747	0.42	0.63	572,846
General Insurance	54,385	85,900	31,515	1.16	214,831	343,600	128,769	1.23	1.93	1,116,700
Manure Removal	204,946	246,379	41,433	4.37	662,338	903,439	241,101	3.80	5.08	1,979,000
Repairs & Maintenance	134,866	139,037	4,171	2.88	646,728	556,148	(90,580)	3.71	3.13	1,807,481
Dead Disposal	16,408	13,841	(2,567)	0.35	62,708	55,364	(7,344)	0.36	0.31	179,933
Contract Services	13,963	14,753	790	0.30	63,253	59,012	(4,241)	0.36	0.33	191,789
Supplies	51,122	50,297	(825)	1.09	198,585	203,088	4,504	1.14	1.14	663,571
Property Taxes	5,165	14,165	9,000	0.11	55,454	56,662	1,208	0.32	0.32	184,150
Contract Facilities	115,041	107,077	(7,964)	2.45	448,724	428,308	(20,416)	2.57	2.41	1,392,000
Wages	563,488	527,484	(36,004)	12.02	2,234,492	2,109,937	(124,555)	12.81	11.86	6,857,295
Employee Benefits	81,198	73,848	(7,350)	1.73	344,644	295,391	(49,253)	1.98	1.66	960,021
Staff Training	165	0	(165)	0.00	165	0	(165)	0.00		0
Travel Meals & Ent	3,488	7,805	4,317	0.07	15,912	31,220	15,308	0.09	0.18	101,465
Breeding Herd Costs	230,001	443,314	213,313	4.91	(1,059,277)	1,773,255	2,832,532	(6.07)	9.97	5,763,080
less sale of cull sows	(208,496)	(192,181)	16,315	(4.45)	(508,429)	(770,515)	(262,086)	(2.91)	(4.33)	(2,764,505)
Veterinary	91,095	138,803	47,707	1.94	379,979	559,444	179,466	2.18	3.15	1,838,891
Herd Health	12,186	17,766	5,580	0.26	56,189	71,065	14,876	0.32	0.40	230,961
AI Costs	94,316	91,505	(2,811)	2.01	419,804	377,958	(41,847)	2.41	2.13	1,231,751
Herd Health Export Fees	8,053	6,026	(2,027)	0.17	38,455	21,686	(16,769)	0.22	0.12	70,602
Trucking	523,094	604,444	81,350	11.16	2,283,579	2,383,197	99,618	13.09	13.40	7,917,096
Sales Costs	42,614	0	(42,614)	0.91	192,833	0	(192,833)	1.11		0
Head Office Services	232,320	272,603	40,283	4.96	910,973	1,090,413	179,440	5.22	6.13	3,543,841
Total Operating Exp.	2,406,480	2,815,446	408,966	51.35	8,113,547	11,135,945	3,022,398	46.50	62.61	35,248,587
Operating Income	(472,415)	(714,688)	(242,274)	(10.08)	93,980	(3,228,660)	(3,322,641)	0.54	(18.15)	4,120,363
Fixed expenses										
Interest	458,790	362,344	(96,446)	9.79	1,685,761	1,449,375	(236,386)	9.66	8.15	4,710,470
Debt Instruments Accretion	37,814	0	(37,814)	0.81	237,821	0	(237,821)	1.36		0
Depreciation & Amortization	670,494	580,713	(89,780)	14.31	2,697,504	2,322,854	(374,650)	15.46	13.06	7,549,274
Total Fixed Exp.	1,167,098	943,057	(224,041)	24.91	4,621,086	3,772,229	(848,857)	26.48	21.21	12,259,744
Net Income Before Taxes	(1,639,513)	(1,657,746)	(18,233)	(34.99)	(4,527,106)	(7,000,889)	(2,473,784)	(25.95)	(39.36)	(8,139,381)
Income Taxes	(500,531)	(518,045)	(17,515)	(10.68)	(1,340,401)	(2,187,778)	(847,376)	(7.68)	(12.30)	(2,543,557)
Net Income	(1,138,982)	(1,139,700)	(718)	(24.31)	(3,186,704)	(4,813,111)	(1,626,407)	(18.26)	(27.06)	(5,595,824)

Big Sky Farms Inc.
Burr Goodeve Division
For the Four Months Ending October 18, 2008

	Actual October	Budget	VAR	Actual Per Hog	Actual YTD	Budget YTD	VAR	Actual Per Hog	Budget Per Hog	Budget Jun 30
Market Hog Sales	934	2,025	1,091	$0.27	3,853	8,100	4,247	$0.28	$0.49	26,325
Price per 100 KG	125	133	8	0.04	109	133	24	0.01	0.01	0
Breeding Stock Sold	954	1,048	94	0.28	3,521	4,192	671	0.26	0.25	13,624
Feeder Pigs Sold	4,060	3,586	(474)	1.18	16,724	12,878	(3,846)	1.22	0.78	46,992
Pigs Weaned	5,663	5,580	(83)	1.65	23,316	22,489	(827)	1.70	1.36	74,684
Revenue										
Market Hog Sales	131,176	286,817	155,641	38.23	565,910	1,149,759	583,849	41.22	69.62	4,097,018
Hog Sales:Breeding	263,279	310,208	46,929	76.74	971,724	1,240,832	269,108	70.78	75.14	4,032,704
Feeder Hog Sales	134,876	198,722	63,846	39.31	499,548	658,745	159,198	36.39	39.89	2,773,477
Hog Inventory Adjustment	(186,369)	0	186,369	(54.32)	(555,696)	0	555,696	(40.48)		0
Feeder Pig Transfers	37,584	0	(37,584)	10.95	115,171	0	(115,171)	8.39		0
Other Revenue	790	2,270	1,480	0.23	(1,165)	9,081	10,246	(0.08)	0.55	237,847
Total Revenue	381,336	798,018	416,682	111.15	1,595,492	3,058,418	1,462,926	116.21	185.19	11,141,047
Feed Costs	257,707	405,955	148,248	75.12	1,235,710	1,615,717	380,007	90.01	97.84	4,947,208
Operating Expenses										
Communications	998	1,191	193	0.29	3,975	4,764	789	0.29	0.29	15,483
Power	7,671	9,735	2,064	2.24	36,243	40,346	4,103	2.64	2.44	115,909
Heating Fuel	11,680	5,585	(6,095)	3.40	22,010	12,613	(9,397)	1.60	0.76	102,978
General Insurance	6,109	9,200	3,091	1.78	24,018	36,800	12,782	1.75	2.23	119,600
Manure Removal	18,546	23,903	5,358	5.41	69,174	87,650	18,476	5.04	5.31	192,000
Repairs & Maintenance	9,054	16,825	7,771	2.64	42,077	67,300	25,223	3.06	4.08	218,725
Dead Disposal	760	1,088	328	0.22	3,736	4,352	616	0.27	0.26	14,144
Contract Services	1,355	1,232	(123)	0.39	4,063	4,928	865	0.30	0.30	16,016
Supplies	5,038	4,520	(518)	1.47	18,853	17,782	(1,071)	1.37	1.08	59,712
Property Taxes	7,380	1,631	(5,749)	2.15	12,906	6,523	(6,383)	0.94	0.39	21,200
Wages	71,475	58,315	(13,160)	20.83	280,957	233,260	(47,697)	20.46	14.12	758,095
Employee Benefits	9,788	8,164	(1,624)	2.85	42,600	32,656	(9,943)	3.10	1.98	106,133
Travel Meals & Ent	202	545	343	0.06	729	2,180	1,451	0.05	0.13	7,085
Breeding Herd Costs	26,562	45,686	19,124	7.74	(73,070)	182,745	255,815	(5.32)	11.07	593,920
less sale of cull sows	(18,650)	(22,034)	(3,385)	(5.44)	(53,348)	(88,343)	(34,995)	(3.89)	(5.35)	(316,962)
Veterinary	7,628	12,179	4,551	2.22	37,456	46,862	9,406	2.73	2.84	160,433
Herd Health	1,130	1,845	716	0.33	5,862	7,382	1,520	0.43	0.45	23,991
AI Costs	8,620	11,323	2,703	2.51	41,016	46,463	5,447	2.99	2.81	152,509
Herd Health Export Fees	754	0	(754)	0.22	3,278	0	(3,278)	0.24		0
Trucking	52,959	71,110	18,151	15.44	277,411	270,313	(7,098)	20.21	16.37	938,143
Sales Costs	1,630	0	(1,630)	0.48	8,692	0	(8,692)	0.63		0
Head Office Services	24,945	28,166	3,221	7.27	96,247	112,665	16,417	7.01	6.82	366,160
Total Operating Exp.	255,633	290,208	34,575	74.51	904,883	1,129,239	224,356	65.91	68.38	3,665,275
Operating Income	(132,005)	101,854	233,859	(38.48)	(545,101)	313,461	858,563	(39.70)	18.98	2,528,564
Fixed expenses										
Interest	34,395	36,411	2,016	10.03	128,446	145,642	17,196	9.36	8.82	473,337
Debt Instruments Accretion	4,121	0	(4,121)	1.20	18,546	0	(18,546)	1.35		0
Depreciation & Amortization	56,150	52,585	(3,565)	16.37	224,900	210,338	(14,561)	16.38	12.74	683,600
Total Fixed Exp.	94,665	88,995	(5,670)	27.59	371,892	355,981	(15,911)	27.09	21.56	1,156,937
Net Income Before Taxes	(226,670)	12,859	239,529	(66.07)	(916,993)	(42,519)	874,474	(66.79)	(2.57)	1,371,627
Income Taxes	(69,547)	4,018	73,565	(20.27)	(280,765)	(13,287)	267,477	(20.45)	(0.80)	428,633
Net Income	(157,123)	8,841	165,964	(45.80)	(636,228)	(29,232)	606,996	(46.34)	(1.77)	942,994

Big Sky Farms Inc.
Kelvington Lintlaw Division
For the Four Months Ending October 18, 2008

	Actual October	Budget	VAR	Actual Per Hog	Actual YTD	Budget YTD	VAR	Actual Per Hog	Budget Per Hog	Budget Jun 30
Market Hog Sales	828	1,152	324	50.43	3,897	4,608	711	50.44	50.49	4,608
Price per 100 KG	129	133	4	0.07	133	133	1	0.01	0.01	0
Feeder Pigs Sold	2,898	2,949	51	1.50	13,114	12,457	(657)	1.48	1.33	45,449
Pigs Weaned	5,610	5,305	(305)	2.91	20,256	20,239	(17)	2.28	2.17	68,934
Revenue										
Market Hog Sales	114,636	164,418	49,782	59.42	575,175	659,100	83,924	64.77	70.55	659,100
Feeder Hog Sales	94,065	163,423	69,358	48.76	373,931	634,359	260,428	42.11	67.91	2,681,661
Hog Inventory Adjustment	285,849	0	(285,849)	148.17	852,841	0	(852,841)	96.04		0
Feeder Pig Transfers	(48,357)	0	48,357	(25.07)	(127,393)	0	127,393	(14.35)		0
Other Revenue	5,290	2,270	(3,020)	2.74	3,335	9,081	5,746	0.38	0.97	237,847
Total Revenue	451,483	330,111	(121,372)	234.02	1,677,888	1,302,540	(375,349)	188.94	139.43	3,578,608
Feed Costs	318,635	232,918	(85,716)	165.16	1,111,034	958,227	(152,807)	125.11	102.57	2,203,365
Operating Expenses										
Communications	1,389	1,316	(73)	0.72	5,390	5,264	(126)	0.61	0.56	17,108
Power	7,460	12,027	4,567	3.87	33,461	49,274	15,813	3.77	5.27	147,511
Heating Fuel	4,505	5,269	764	2.34	13,947	18,328	4,381	1.57	1.96	77,082
General Insurance	6,094	9,200	3,106	3.16	23,959	36,800	12,841	2.70	3.94	119,600
Manure Removal	22,158	20,915	(1,242)	11.49	63,480	76,694	13,214	7.15	8.21	168,000
Repairs & Maintenance	41,157	16,825	(24,332)	21.33	188,370	67,300	(121,070)	21.21	7.20	218,725
Dead Disposal	1,408	1,357	(51)	0.73	4,439	5,428	989	0.50	0.58	17,641
Contract Services	2,205	1,232	(973)	1.14	7,140	4,928	(2,212)	0.80	0.53	16,016
Supplies	4,746	3,605	(1,141)	2.46	24,403	14,267	(10,136)	2.75	1.53	45,593
Property Taxes	725	1,712	986	0.38	4,520	6,846	2,326	0.51	0.73	22,250
Wages	54,410	58,922	4,512	28.20	222,894	235,690	12,795	25.10	25.23	765,991
Employee Benefits	8,114	8,249	135	4.21	35,031	32,997	(2,034)	3.94	3.53	107,239
Staff Training	165	0	(165)	0.09	165	0	(165)	0.02		0
Travel Meals & Ent	303	750	447	0.16	1,393	3,000	1,607	0.16	0.32	9,750
Breeding Herd Costs	28,431	45,686	17,255	14.74	(105,143)	182,745	287,888	(11.84)	19.56	593,920
less sale of cull sows	(23,993)	(22,034)	1,958	(12.44)	(36,788)	(88,343)	(51,555)	(4.14)	(9.46)	(316,962)
Veterinary	6,001	10,350	4,350	3.11	31,502	41,964	10,461	3.55	4.49	142,463
Herd Health	1,130	1,845	716	0.59	5,862	7,382	1,520	0.66	0.79	23,991
AI Costs	10,532	10,833	301	5.46	47,207	42,070	(5,137)	5.32	4.50	141,498
Herd Health Export Fees	480	1,298	818	0.25	6,212	5,481	(731)	0.70	0.59	19,997
Trucking	27,811	44,243	16,432	14.42	172,832	182,381	9,549	19.46	19.52	561,720
Sales Costs	1,280	0	(1,280)	0.66	7,346	0	(7,346)	0.83		0
Head Office Services	24,945	28,166	3,221	12.93	96,247	112,665	16,417	10.84	12.06	366,160
Total Operating Exp.	231,454	261,766	30,312	119.97	853,870	1,043,160	189,290	96.15	111.67	3,265,294
Operating Income	(98,606)	(164,573)	(65,967)	(51.11)	(287,016)	(698,847)	(411,831)	(32.32)	(74.81)	(1,890,051)
Fixed expenses										
Interest	34,395	36,411	2,016	17.83	124,364	145,642	21,279	14.00	15.59	473,337
Debt Instruments Accretion	4,121	0	(4,121)	2.14	18,546	0	(18,546)	2.09		0
Depreciation & Amortization	58,405	57,677	(728)	30.27	236,080	230,708	(5,372)	26.58	24.70	749,800
Total Fixed Exp.	96,921	94,087	(2,833)	50.24	378,989	376,350	(2,639)	42.68	40.29	1,223,137
Net Income Before Taxes	(195,527)	(258,660)	(63,134)	(101.35)	(666,005)	(1,075,197)	(409,192)	(75.00)	(115.10)	(3,113,188)
Income Taxes	(59,814)	(80,831)	(21,017)	(31.00)	(202,331)	(335,999)	(133,668)	(22.78)	(35.97)	(972,871)
Net Income	(135,712)	(177,829)	(42,117)	(70.34)	(463,674)	(739,198)	(275,524)	(52.21)	(79.13)	(2,140,317)

Big Sky Farms Inc.
Preeceville Sturgis Division
For the Four Months Ending October 18, 2008

	Actual October	Budget	VAR	Actual Per Hog	Actual YTD	Budget YTD	VAR	Actual Per Hog	Budget Per Hog	Budget Jun 30
Market Hog Sales	4,483	6,006	1,523	$0.93	19,163	20,219	1,056	$0.94	$1.00	65,943
Price per 100 KG	126	133	8	0.03	124	133	9	0.01	0.01	0
Feeder Pigs Sold	0	0	0		1,076	0	(1,076)	0.05		0
Isoweans Sold	1,500	0	(1,500)	0.31	3,278	0	(3,278)	0.16		0
Pigs Weaned	6,862	6,056	(806)	1.43	27,090	25,009	(2,081)	1.33	1.24	82,224
Revenue										
Market Hog Sales	567,382	857,231	289,849	117.89	2,649,905	2,891,200	241,295	130.58	142.99	10,307,934
Feeder Hog Sales	0	0	0		43,533	0	(43,533)	2.15		0
Isowean Sales	31,498	0	(31,498)	6.54	69,121	0	(69,121)	3.41		0
Hog Inventory Adjustment	(17,193)	0	17,193	(3.57)	295,303	0	(295,303)	14.55		0
Feeder Pig Transfers	14,796	0	(14,796)	3.07	14,796	0	(14,796)	0.73		0
Other Revenue	5,040	2,270	(2,770)	1.05	3,085	9,081	5,996	0.15	0.45	237,847
Total Revenue	601,523	859,501	257,978	124.98	3,075,743	2,900,281	(175,461)	151.57	143.44	10,545,781
Feed Costs	509,628	638,770	129,142	105.89	2,018,379	2,303,052	284,672	99.46	113.90	6,981,833
Operating Expenses										
Communications	1,523	1,379	(144)	0.32	5,770	5,516	(254)	0.28	0.27	17,927
Power	10,871	13,498	2,627	2.26	34,694	52,005	17,311	1.71	2.57	162,407
Water Costs	0	0	0		67	0	(67)	0.00		0
Heating Fuel	3,301	8,901	5,600	0.69	9,989	31,982	21,994	0.49	1.58	127,030
General Insurance	6,270	9,200	2,930	1.30	24,664	36,800	12,136	1.22	1.82	119,600
Manure Removal	26,001	27,140	1,139	5.40	92,315	99,520	7,205	4.55	4.92	218,000
Repairs & Maintenance	11,523	16,825	5,302	2.39	34,064	67,300	33,236	1.68	3.33	218,725
Dead Disposal	1,688	1,387	(301)	0.35	7,036	5,548	(1,488)	0.35	0.27	18,031
Contract Services	2,757	1,618	(1,139)	0.57	9,063	6,472	(2,591)	0.45	0.32	21,034
Supplies	3,769	5,781	2,013	0.78	16,254	22,770	6,516	0.80	1.13	74,554
Property Taxes	3	1,708	1,704	0.00	20,204	6,831	(13,373)	1.00	0.34	22,200
Wages	69,997	55,356	(14,642)	14.54	271,233	221,423	(49,809)	13.37	10.95	719,626
Employee Benefits	9,865	7,750	(2,115)	2.05	41,230	30,999	(10,231)	2.03	1.53	100,748
Travel Meals & Ent	310	1,050	740	0.06	2,816	4,200	1,384	0.14	0.21	13,650
Breeding Herd Costs	9,710	39,655	29,945	2.02	(125,309)	158,622	283,930	(6.17)	7.84	515,520
less sale of cull sows	(20,890)	(16,689)	4,201	(4.34)	(57,587)	(66,910)	(9,324)	(2.84)	(3.31)	(240,066)
Veterinary	9,361	13,498	4,137	1.94	36,847	56,285	19,437	1.82	2.78	184,138
Herd Health	1,130	1,845	715	0.23	5,862	7,381	1,519	0.29	0.37	23,989
AI Costs	8,400	8,100	(300)	1.75	35,675	33,450	(2,225)	1.76	1.65	110,557
Herd Health Export Fees	150	0	(150)	0.03	723	0	(723)	0.04		0
Trucking	52,915	57,659	4,744	10.99	227,724	207,346	(20,378)	11.22	10.25	687,255
Sales Costs	4,028	0	(4,028)	0.84	24,807	0	(24,807)	1.22		0
Head Office Services	24,945	28,166	3,221	5.18	96,247	112,665	16,417	4.74	5.57	366,160
Total Operating Exp.	237,626	283,828	46,202	49.37	814,387	1,100,205	285,818	40.13	54.41	3,481,086
Operating Income	(145,731)	(63,097)	82,634	(30.28)	242,976	(502,975)	(745,951)	11.97	(24.88)	82,862
Fixed expenses										
Interest	34,395	36,411	2,016	7.15	124,364	145,642	21,279	6.13	7.20	473,337
Debt Instruments Accretion	4,121	0	(4,121)	0.86	18,546	0	(18,546)	0.91		0
Depreciation & Amortization	72,378	60,000	(12,378)	15.04	291,924	240,000	(51,924)	14.39	11.87	780,000
Total Fixed Exp.	110,893	96,411	(14,483)	23.04	434,833	385,642	(49,191)	21.43	19.07	1,253,337
Net Income Before Taxes	(256,624)	(159,508)	97,117	(53.32)	(191,857)	(888,617)	(696,760)	(9.45)	(43.95)	(1,170,475)
Income Taxes	(78,907)	(49,846)	29,061	(16.39)	(54,160)	(277,693)	(223,533)	(2.67)	(13.73)	(365,773)
Net Income	(177,717)	(109,662)	68,055	(36.92)	(137,697)	(610,924)	(473,227)	(6.79)	(30.21)	(804,701)

Big Sky Farms Inc.
Ogema Division
For the Four Months Ending October 18, 2008

	Actual October	Budget	VAR	Actual Per Hog	Actual YTD	Budget YTD	VAR	Actual Per Hog	Budget Per Hog	Budget Jun 30
Market Hog Sales	10,221	9,550	(671)	$0.93	34,769	41,947	7,178	$0.89	$0.95	127,897
Price per 100 KG	129	133	4	0.01	128	133	5	0.00	0.00	0
Feeder Pigs Sold	0	1,688	1,688		9,743	5,598	(4,145)	0.25	0.13	15,767
Isoweans Sold	3,464	0	(3,464)	0.32	3,464	0	(3,464)	0.09		0
Pigs Weaned	11,764	10,303	(1,461)	1.07	45,281	46,460	1,179	1.15	1.05	149,147
Revenue										
Market Hog Sales	1,455,561	1,363,015	(92,546)	132.53	5,015,483	6,000,686	985,202	127.84	136.15	20,004,744
Feeder Hog Sales	0	93,530	93,530		339,363	286,629	(52,734)	8.65	6.50	912,461
Isowean Sales	71,108	0	(71,108)	6.47	71,108	0	(71,108)	1.81		0
Hog Inventory Adjustment	(21,925)	0	21,925	(2.00)	87,924	0	(87,924)	2.24		0
Feeder Pig Transfers	(60,102)	0	60,102	(5.47)	(74,607)	0	74,607	(1.90)		0
Other Revenue	12,521	4,541	(7,981)	1.14	23,602	18,162	(5,440)	0.60	0.41	475,694
Total Revenue	1,457,163	1,461,085	3,923	132.67	5,462,874	6,305,477	842,603	139.24	143.06	21,392,899
Feed Costs	1,137,532	1,058,195	(79,337)	103.57	4,190,711	4,543,616	352,904	106.81	103.09	13,047,719
Operating Expenses										
Communications	989	1,957	968	0.09	3,743	7,828	4,085	0.10	0.18	25,441
Power	16,063	16,543	480	1.46	48,208	68,198	19,990	1.23	1.55	199,703
Heating Fuel	3,125	3,557	432	0.28	7,341	11,272	3,930	0.19	0.26	55,472
General Insurance	8,977	14,500	5,523	0.82	35,365	58,000	22,635	0.90	1.32	188,500
Manure Removal	35,447	53,534	18,086	3.23	108,793	196,301	87,508	2.77	4.45	430,000
Repairs & Maintenance	22,361	22,067	(294)	2.04	85,588	88,268	2,680	2.18	2.00	286,871
Dead Disposal	3,527	3,328	(199)	0.32	13,862	13,312	(550)	0.35	0.30	43,264
Contract Services	1,000	3,326	2,326	0.09	10,135	13,304	3,169	0.26	0.30	43,238
Supplies	8,987	10,114	1,127	0.82	35,724	43,497	7,773	0.91	0.99	137,453
Property Taxes	(882)	2,785	3,666	(0.08)	5,100	11,138	6,038	0.13	0.25	36,200
Contract Facilities	115,041	107,077	(7,964)	10.47	448,724	428,308	(20,416)	11.44	9.72	1,392,000
Wages	84,031	87,928	3,897	7.65	328,998	351,713	22,715	8.39	7.98	1,143,066
Employee Benefits	12,281	12,310	29	1.12	52,421	49,240	(3,181)	1.34	1.12	160,029
Travel Meals & Ent	1,148	2,100	952	0.10	4,020	8,400	4,380	0.10	0.19	27,300
Breeding Herd Costs	89,038	78,072	(10,966)	8.11	(152,319)	312,286	464,605	(3.88)	7.09	1,014,930
less sale of cull sows	(58,757)	(32,856)	25,902	(5.35)	(114,326)	(131,730)	(17,404)	(2.91)	(2.99)	(472,629)
Veterinary	12,430	31,597	19,168	1.13	69,518	132,668	63,150	1.77	3.01	423,712
Herd Health	3,516	3,606	91	0.32	13,173	14,425	1,252	0.34	0.33	46,882
AI Costs	14,915	13,963	(953)	1.36	66,303	62,963	(3,340)	1.69	1.43	200,789
Herd Health Export Fees	2,960	1,688	(1,272)	0.27	9,672	5,598	(4,073)	0.25	0.13	15,767
Trucking	76,766	104,236	27,470	6.99	407,901	436,919	29,017	10.40	9.91	1,358,677
Sales Costs	9,205	0	(9,205)	0.84	42,544	0	(42,544)	1.08		0
Head Office Services	41,487	56,474	14,987	3.78	174,448	225,895	51,447	4.45	5.13	734,160
Total Operating Exp.	503,652	597,904	94,252	45.86	1,704,937	2,407,802	702,865	43.46	54.63	7,490,826
Operating Income	(184,022)	(195,014)	(10,992)	(16.76)	(432,775)	(645,941)	(213,166)	(11.03)	(14.66)	854,355
Fixed expenses										
Interest	95,166	76,068	(19,099)	8.66	343,505	304,270	(39,235)	8.76	6.90	988,878
Debt Instruments Accretion	8,605	0	(8,605)	0.78	79,759	0	(79,759)	2.03		0
Depreciation & Amortization	112,602	104,967	(7,635)	10.25	452,357	419,869	(32,488)	11.53	9.53	1,364,576
Total Fixed Exp.	216,373	181,035	(35,338)	19.70	875,621	724,139	(151,482)	22.32	16.43	2,353,453
Net Income Before Taxes	(400,395)	(376,048)	24,347	(36.46)	(1,308,396)	(1,370,080)	(61,684)	(33.35)	(31.09)	(1,499,098)
Income Taxes	(122,434)	(117,515)	4,919	(11.15)	(383,949)	(428,150)	(44,201)	(9.79)	(9.71)	(468,468)
Net Income	(277,961)	(258,533)	19,428	(25.31)	(924,447)	(941,930)	(17,483)	(23.56)	(21.37)	(1,030,630)

Big Sky Farms Inc.
Rama Division
For the Four Months Ending October 18, 2008

	Actual October	Budget	VAR	Actual Per Hog	Actual YTD	Budget YTD	VAR	Actual Per Hog	Budget Per Hog	Budget Jun 30
Market Hog Sales	11,675	9,680	(1,995)	$1.00	39,860	37,389	(2,471)	$1.00	$0.98	123,789
Price per 100 KG	133	133	0	0.01	129	133	5	0.00	0.00	0
Feeder Pigs Sold	0	1,100	1,100		0	1,650	1,650		0.04	6,050
Pigs Weaned	13,430	11,043	(2,387)	1.15	47,611	44,677	(2,934)	1.19	1.18	149,342
Revenue										
Market Hog Sales	1,691,747	1,381,532	(310,216)	144.90	5,840,658	5,347,293	(493,365)	146.53	140.66	19,424,671
Feeder Hog Sales	0	60,958	60,958		0	88,573	88,573		2.33	355,328
Hog Inventory Adjustment	(179,598)	0	179,598	(15.38)	297,344	0	(297,344)	7.46		0
Feeder Pig Transfers	60,102	0	(60,102)	5.15	131,486	0	(131,486)	3.30		0
Other Revenue	3,585	4,541	956	0.31	(334)	18,162	18,497	(0 01)	0.48	475,694
Total Revenue	1,575,836	1,447,030	(128,806)	134.98	6,269,153	5,454,028	(815,125)	157.28	143.47	20,255,693
Feed Costs	1,067,886	1,073,183	5,297	91.47	4,329,350	4,200,916	(128,435)	108.61	110.50	12,869,638
Operating Expenses										
Communications	1,159	1,418	259	0.10	4,758	5,672	914	0.12	0.15	18,434
Power	27,099	22,248	(4,852)	2.32	85,061	91,859	6,798	2.13	2.42	267,513
Heating Fuel	2,405	6,196	3,791	0.21	8,115	19,765	11,649	0.20	0.52	96,222
General Insurance	11,850	17,800	5,950	1.01	46,899	71,200	24,301	1.18	1.87	231,400
Manure Removal	41,892	53,160	11,269	3.59	137,499	194,931	57,432	3.45	5.13	427,000
Repairs & Maintenance	27,428	32,610	5,182	2.35	171,556	130,440	(41,116)	4.30	3.43	423,930
Dead Disposal	3,101	2,786	(315)	0.27	12,353	11,144	(1,209)	0.31	0.29	36,218
Contract Services	1,540	3,326	1,786	0.13	11,963	13,304	1,342	0.30	0.35	43,238
Supplies	11,091	10,338	(753)	0.95	43,103	40,703	(2,400)	1.08	1.07	136,048
Property Taxes	(384)	2,746	3,130	(0.03)	67	10,985	10,917	0.00	0.29	35,700
Wages	115,767	107,520	(8,247)	9.92	460,998	430,079	(30,919)	11.57	11.31	1,397,758
Employee Benefits	17,903	15,053	(2,850)	1.53	75,242	60,211	(15,031)	1.89	1.58	195,686
Travel Meals & Ent	514	1,305	791	0.04	2,587	5,220	2,633	0.06	0.14	16,965
Breeding Herd Costs	34,823	78,072	43,249	2.98	(189,859)	312,286	502,145	(4.76)	8.21	1,014,930
less sale of cull sows	(31,718)	(32,856)	(1,138)	(2.72)	(84,897)	(131,730)	(46,833)	(2.13)	(3.47)	(472,629)
Veterinary	22,142	25,317	3,175	1.90	94,843	98,885	4,042	2.38	2.60	332,174
Herd Health	2,266	3,700	1,434	0.19	11,738	14,799	3,060	0.29	0.39	48,096
AI Costs	16,847	15,238	(1,610)	1.44	81,492	65,538	(15,955)	2.04	1.72	209,955
Herd Health Export Fees	0	605	605		218	908	689	0.01	0.02	3,328
Trucking	113,862	147,756	33,894	9.75	461,816	551,390	89,574	11.59	14.50	1,869,250
Sales Costs	11,824	0	(11,824)	1.01	49,650	0	(49,650)	1.25		0
Head Office Services	49,772	56,474	6,702	4.26	191,878	225,895	34,018	4.81	5.94	734,160
Total Operating Exp.	481,181	570,811	89,630	41.21	1,677,081	2,223,484	546,404	42.07	58.49	7,065,376
Operating Income	26,769	(196,964)	(223,733)	2.29	262,723	(970,371)	(1,233,894)	6.59	(25.53)	320,680
Fixed expenses										
Interest	122,300	73,004	(49,296)	10.48	450,399	292,016	(158,383)	11.30	7.68	949,053
Debt Instruments Accretion	8,605	0	(8,605)	0.74	79,759	0	(79,759)	2.00		0
Depreciation & Amortization	141,982	124,538	(17,444)	12.16	569,879	498,154	(71,725)	14.30	13.10	1,619,000
Total Fixed Exp.	272,888	197,543	(75,346)	23.37	1,100,037	790,170	(309,866)	27.60	20.79	2,568,053
Net Income Before Taxes	(246,119)	(394,507)	(148,387)	(21.08)	(837,314)	(1,760,542)	(923,228)	(21.01)	(46.31)	(2,247,373)
Income Taxes	(74,223)	(123,283)	(49,060)	(6.36)	(236,736)	(550,169)	(313,433)	(5.94)	(14.47)	(702,304)
Net Income	(171,896)	(271,223)	(99,327)	(14.72)	(600,578)	(1,210,372)	(609,794)	(15.07)	(31.84)	(1,545,069)

Big Sky Farms Inc.
Porcupine Division
For the Four Months Ending October 18, 2008

	Actual October	Budget	VAR	Actual Per Hog	Actual YTD	Budget YTD	VAR	Actual Per Hog	Budget Per Hog	Budget Jun 30
Market Hog Sales	10,806	9,168	(1,638)	$0.97	38,648	38,185	(463)	$0.95	$0.98	131,011
Price per 100 KG	131	133	2	0.01	131	133	3	0.00	0.00	0
Feeder Pigs Sold	1,031	550	(481)	0.09	4,304	2,200	(2,104)	0.11	0.06	6,050
Isoweans Sold	0	0	0		2,439	0	(2,439)	0.06		0
Pigs Weaned	12,760	12,148	(612)	1.14	49,489	48,857	(632)	1.21	1.25	158,128
Revenue										
Market Hog Sales	1,532,658	1,308,494	(224,164)	136.87	5,624,271	5,463,347	(160,924)	137.78	140.01	20,587,730
Feeder Hog Sales	38,132	30,479	(7,653)	3.41	131,122	112,047	(19,075)	3.21	2.87	348,323
Isowean Sales	0	0	0		50,894	0	(50,894)	1.25		0
Hog Inventory Adjustment	(164,122)	0	164,122	(14.66)	50,432	0	(50,432)	1.24		0
Feeder Pig Transfers	32,436	0	(32,436)	2.90	124,390	0	(124,390)	3.05		0
Other Revenue	1,586	4,541	2,955	0.14	(2,335)	18,162	20,497	(0.06)	0.47	475,694
Total Revenue	1,440,690	1,343,514	(97,176)	128.66	5,978,775	5,593,557	(385,218)	146.47	143.35	21,411,748
Feed Costs	1,062,361	1,032,729	(29,632)	94.87	4,411,066	4,278,865	(132,202)	108.06	109.65	13,350,959
Operating Expenses										
Communications	1,225	1,446	221	0.11	4,932	5,784	852	0.12	0.15	18,798
Power	21,884	23,009	1,126	1.95	85,644	94,951	9,307	2.10	2.43	277,058
Water Costs	0	0	0		40	0	(40)	0.00		0
Heating Fuel	4,584	6,006	1,622	0.39	11,182	16,282	5,100	0.27	0.42	102,256
General Insurance	11,779	18,500	6,721	1.05	46,700	74,000	27,300	1.14	1.90	240,500
Manure Removal	50,708	56,522	5,813	4.53	161,365	207,257	45,891	3.95	5.31	454,000
Repairs & Maintenance	18,821	30,585	11,764	1.68	114,706	122,340	7,634	2.81	3.14	397,605
Dead Disposal	4,764	2,991	(1,773)	0.43	17,405	11,964	(5,441)	0.43	0.31	38,883
Contract Services	4,241	3,249	(992)	0.38	17,851	12,996	(4,855)	0.44	0.33	42,237
Supplies	12,942	10,823	(2,119)	1.16	41,451	43,700	2,250	1.02	1.12	144,039
Property Taxes	(1,928)	3,212	5,139	(0.17)	10,615	12,846	2,231	0.26	0.33	41,750
Wages	105,877	107,975	2,098	9.46	427,496	431,899	4,403	10.47	11.07	1,403,670
Employee Benefits	14,987	15,116	130	1.34	62,948	60,466	(2,482)	1.54	1.55	196,514
Travel Meals & Ent	773	1,355	582	0.07	3,504	5,420	1,916	0.09	0.14	17,615
Breeding Herd Costs	34,434	78,072	43,638	3.08	(165,138)	312,286	477,424	(4.05)	8.00	1,014,930
less sale of cull sows	(36,389)	(32,856)	3,533	(3.25)	(105,477)	(131,730)	(26,253)	(2.58)	(3.38)	(472,629)
Veterinary	27,587	27,592	5	2.46	81,216	110,036	28,820	1.99	2.82	359,641
Herd Health	2,267	3,702	1,435	0.20	11,738	14,809	3,071	0.29	0.38	48,129
AI Costs	18,622	16,025	(2,597)	1.66	78,479	64,450	(14,029)	1.92	1.65	209,698
Herd Health Export Fees	150	0	(150)	0.01	1,594	0	(1,594)	0.04		0
Trucking	152,641	146,555	(6,085)	13.63	557,696	603,908	46,212	13.66	15.48	2,076,657
Sales Costs	11,914	0	(11,914)	1.06	48,795	0	(48,795)	1.20		0
Head Office Services	49,772	56,509	6,737	4.44	192,437	226,037	33,600	4.71	5.79	734,620
Total Operating Exp.	511,453	576,387	64,934	45.67	1,707,180	2,299,702	592,521	41.82	58.93	7,345,973
Operating Income	(133,125)	(265,603)	(132,478)	(11.89)	(139,472)	(985,010)	(845,538)	(3.42)	(25.24)	714,816
Fixed expenses										
Interest	69,006	79,935	10,929	6.16	334,489	319,738	(14,751)	8.19	8.19	1,039,149
Debt Instruments Accretion	4,121	0	(4,121)	0.37	18,546	0	(18,546)	0.45		0
Depreciation & Amortization	140,422	150,177	9,755	12.54	564,300	600,707	36,407	13.82	15.39	1,952,299
Total Fixed Exp.	213,548	230,111	16,564	19.07	917,335	920,446	3,111	22.47	23.59	2,991,448
Net Income Before Taxes	(346,672)	(495,714)	(149,042)	(30.96)	(1,056,807)	(1,905,455)	(848,649)	(25.89)	(48.83)	(2,276,632)
Income Taxes	(107,047)	(154,911)	(47,863)	(9.56)	(324,456)	(595,455)	(270,998)	(7.95)	(15.26)	(711,447)
Net Income	(239,625)	(340,803)	(101,178)	(21.40)	(732,350)	(1,310,000)	(577,650)	(17.94)	(33.57)	(1,565,184)

Big Sky Farms Inc.
Pelly Division
For the Four Months Ending October 18, 2008

	Actual October	Budget	VAR	Actual Per Hog	Actual YTD	Budget YTD	VAR	Actual Per Hog	Budget Per Hog	Budget Jun 30
Isoweans Sold	12,868	12,180	(688)	($0.06)	53,024	48,496	(4,528)	($0.44)		157,553
Pigs Weaned	13,289	12,180	(1,109)	(0.07)	53,855	48,496	(5,359)	(0.45)		157,553
Revenue										
Isowean Sales	513,495	441,332	(72,163)	(2.56)	2,038,625	1,756,892	(281,734)	(17.06)		5,709,327
Hog Inventory Adjustment	2,160	0	(2,160)	(0.01)	16,095	0	(16,095)	(0.13)		0
Other Revenue	523	4,541	4,017	0.00	(502)	18,162	18,665	0.00		475,694
Total Revenue	516,178	445,872	(70,306)	(2.58)	2,054,218	1,775,054	(279,164)	(17.19)		6,185,022
Feed Costs	136,394	142,623	6,229	(0.68)	610,364	581,678	(28,685)	(5.11)		1,741,127
Operating Expenses										
Communications	259	369	110	0.00	1,052	1,476	424	(0.01)		4,797
Power	8,875	10,291	1,416	(0.04)	25,631	42,650	17,019	(0.21)		122,529
Heating Fuel	198	640	442	0.00	356	1,446	1,090	0.00		11,805
General Insurance	3,307	7,500	4,193	(0.02)	13,227	30,000	16,773	(0.11)		97,500
Manure Removal	10,195	11,205	1,010	(0.05)	29,712	41,086	11,375	(0.25)		90,000
Repairs & Maintenance	4,523	3,300	(1,223)	(0.02)	10,368	13,200	2,832	(0.09)		42,900
Dead Disposal	1,160	904	(256)	(0.01)	3,876	3,616	(260)	(0.03)		11,752
Contract Services	866	770	(96)	0.00	3,039	3,080	41	(0.03)		10,010
Supplies	4,548	5,115	567	(0.02)	18,797	20,368	1,571	(0.16)		66,172
Property Taxes	251	373	122	0.00	2,040	1,492	(548)	(0.02)		4,850
Wages	61,931	51,468	(10,463)	(0.31)	241,917	205,873	(36,044)	(2.02)		669,088
Employee Benefits	8,261	7,206	(1,056)	(0.04)	35,173	28,822	(6,351)	(0.29)		93,672
Travel Meals & Ent	239	700	461	0.00	862	2,800	1,938	(0.01)		9,100
Breeding Herd Costs	7,004	78,072	71,068	(0.03)	(248,439)	312,286	560,725	2.08		1,014,930
less sale of cull sows	(18,100)	(32,856)	(14,756)	0.09	(56,008)	(131,730)	(75,722)	0.47		(472,629)
Veterinary	5,948	18,269	12,322	(0.03)	28,596	72,745	44,149	(0.24)		236,330
Herd Health	748	1,222	474	0.00	1,954	4,887	2,933	(0.02)		15,883
AI Costs	16,380	16,025	(355)	(0.08)	69,634	63,025	(6,609)	(0.58)		206,744
Herd Health Export Fees	3,560	2,436	(1,124)	(0.02)	16,758	9,699	(7,059)	(0.14)		31,511
Trucking	46,140	32,885	(13,255)	(0.23)	178,198	130,940	(47,258)	(1.49)		425,393
Sales Costs	2,733	0	(2,733)	(0.01)	10,999	0	(10,999)	(0.09)		0
Head Office Services	16,454	18,648	2,194	(0.08)	63,468	74,591	11,123	(0.53)		242,420
Total Operating Exp.	185,479	234,541	49,062	(0.93)	451,209	932,354	481,144	(3.77)		2,934,758
Operating Income	194,305	68,708	(125,597)	(0.97)	992,645	261,022	(731,623)	(8.30)		1,509,136
Fixed expenses										
Interest	69,134	24,106	(45,028)	(0.35)	180,195	96,424	(83,771)	(1.51)		313,378
Debt Instruments Accretion	4,121	0	(4,121)	(0.02)	4,121	0	(4,121)	(0.03)		0
Depreciation & Amortization	88,555	30,769	(57,786)	(0.44)	358,064	123,077	(234,987)	(3.00)		400,000
Total Fixed Exp.	161,809	54,875	(106,934)	(0.81)	542,379	219,501	(322,878)	(4.54)		713,378
Net Income Before Taxes	32,496	13,833	(18,663)	(0.16)	450,266	41,521	(408,744)	(3.77)		795,758
Income Taxes	11,443	4,323	(7,120)	(0.06)	141,996	12,975	(129,020)	(1.19)		248,674
Net Income	21,053	9,510	(11,543)	(0.11)	308,270	28,546	(279,724)	(2.58)		547,084

Big Sky Farms Inc.
Contract Finisher Units
For the Four Months Ending October 18, 2008

	Actual October	Budget	VAR	Actual Per Hog	Actual YTD	Budget YTD	VAR	Actual Per Hog	Budget Per Hog	Budget Jun 30
Market Hog Sales	11,070	8,029	(3,041)	$1.00	37,313	32,116	(5,197)	$1.00	$1.00	117,092
Price per 100 KG	137	142	6	0.01	142	143	1	0.00	0.00	0
Revenue										
Market Hog Sales	1,664,943	1,198,334	(466,610)	150.40	5,719,955	4,804,306	(915,649)	153.30	149.59	19,355,107
Hog Inventory Adjustment	(111,500)	0	111,500	(10.07)	975,852	0	(975,852)	26.15		0
Feeder Pig Transfers	(454,406)	0	454,406	(41.05)	(1,530,154)	0	1,530,154	(41.01)		0
Total Revenue	1,099,037	1,198,334	99,296	99.28	5,165,653	4,804,306	(361,347)	138.44	149.59	19,355,107
Feed Costs	1,060,322	603,781	(456,541)	95.78	3,497,815	2,434,393	(1,063,422)	93.74	75.80	8,153,558
Operating Expenses										
Communications	0	100	100		0	400	400		0.01	1,300
General Insurance	419	231	(188)	0.04	1,674	923	(751)	0.04	0.03	3,000
Supplies	0	1,659	1,659		0	6,634	6,634		0.21	26,886
Contract Facilities	222,019	130,000	(92,019)	20.06	770,135	520,000	(250,135)	20.64	16.19	1,690,000
Wages	0	8,769	8,769		0	35,077	35,077		1.09	114,000
Travel Meals & Ent	0	100	100		0	400	400		0.01	1,300
Veterinary	13,757	3,131	(10,626)	1.24	22,017	12,524	(9,493)	0.59	0.39	46,674
Herd Health	0	154	154		0	615	615		0.02	2,000
Trucking	75,752	47,999	(27,753)	6.84	236,446	191,997	(44,450)	6.34	5.98	740,676
Sales Costs	17,219	0	(17,219)	1.56	58,927	0	(58,927)	1.58		0
Head Office Services	2,800	0	(2,800)	0.25	11,979	0	(11,979)	0.32		0
Total Operating Exp.	331,966	192,143	(139,823)	29.99	1,101,178	768,570	(332,608)	29.51	23.93	2,625,836
Operating Income	(293,250)	402,410	695,661	(26.49)	566,660	1,601,343	1,834,683	15.19	49.86	8,575,713
Fixed expenses										
Net Income Before Taxes	(293,250)	402,410	695,661	(26.49)	566,660	1,601,343	1,034,683	15.19	49.86	8,575,713
Income Taxes	(91,641)	125,753	217,394	(8.28)	177,081	500,420	323,338	4.75	15.58	2,679,910
Net Income	(201,610)	276,657	478,267	(18.21)	389,579	1,100,923	711,345	10.44	34.28	5,895,802

Big Sky Farms Inc.
Contract Canadian
For the Four Months Ending October 18, 2008

	Actual October	Budget	VAR	Actual Per Hog	Actual YTD	Budget YTD	VAR	Actual Per Hog	Budget Per Hog	Budget Jun 30
Market Hog Sales	1,939	2,139	200	$1.00	7,660	8,556	896	$1.00	$1.00	37,943
Price per 100 KG	129	136	7	0.07	136	136	0	0.02	0.02	0
Revenue										
Market Hog Sales	268,380	305,287	36,907	138.41	1,105,113	1,223,797	118,684	144.27	143.03	6,117,145
Hog Inventory Adjustment	(62,700)	0	62,700	(32.34)	118,320	0	(118,320)	15.45		0
Feeder Pig Transfers	(59,274)	0	59,274	(30.57)	(238,121)	0	238,121	(31.09)		0
Total Revenue	146,406	305,287	158,881	75.51	985,312	1,223,797	238,485	128.63	143.03	6,117,145
Feed Costs	168,204	160,853	(7,352)	86.75	691,930	648,545	(43,385)	90.33	75.80	2,608,768
Operating Expenses										
General Insurance	250	0	(250)	0.13	999	0	(999)	0.13		0
Supplies	0	1,070	1,070		0	4,278	4,278		0.50	18,972
Contract Facilities	59,365	49,231	(10,134)	30.62	227,888	196,923	(30,965)	29.75	23.02	640,000
Veterinary	2,286	1,070	(1,217)	1.18	4,638	4,278	(360)	0.61	0.50	18,972
Herd Health	0	77	77		0	308	308		0.04	1,000
Trucking	15,073	18,078	3,005	7.77	70,410	72,312	1,902	9.19	8.45	329,535
Sales Costs	1,734	0	(1,734)	0.89	8,958	0	(8,958)	1.17		0
Total Operating Exp.	78,708	69,525	(9,183)	40.59	312,892	278,099	(34,793)	40.85	32.50	1,008,479
Operating Income	(100,506)	74,909	175,416	(51.83)	(19,510)	297,153	316,663	(2.55)	34.73	2,499,899
Fixed expenses										
Net Income Before Taxes	(100,506)	74,909	175,416	(51.83)	(19,510)	297,153	316,663	(2.55)	34.73	2,499.899
Income Taxes	(31,408)	23,409	54,817	(16.20)	(6,097)	92,860	98,957	(0.80)	10 85	781,218
Net Income	(69,098)	51,500	120,598	(35.64)	(13,413)	204,293	217,706	(1.75)	23.88	1,718,681

Big Sky Farms Inc.
Contract US
For the Four Months Ending October 18, 2008

	Actual October	Budget	VAR	Actual Per Hog	Actual YTD	Budget YTD	VAR	Actual Per Hog	Budget Per Hog	Budget Jun 30
Market Hog Sales	9,131	5,890	(3,241)	$1.00	29,653	23,560	(6,093)	$1.00	$1.00	79,149
Price per 100 KG	138	145	7	0.02	144	145	1	0.00	0.01	0
Revenue										
Market Hog Sales	1,396,563	893,047	(503,516)	152.95	4,614,842	3,580,509	(1,034,333)	155.63	151.97	13,237,962
Hog Inventory Adjustment	(48,800)	0	48,800	(5.34)	857,532	0	(857,532)	28.92		0
Feeder Pig Transfers	(395,132)	0	395,132	(43.27)	(1,292,033)	0	1,292,033	(43.57)		0
Total Revenue	952,631	893,047	(59,584)	104.33	4,180,341	3,580,509	(599,832)	140.98	151.97	13,237,962
Feed Costs	892,117	442,928	(449,189)	97.70	2,805,884	1,785,848	(1,028,036)	94.62	75.80	5,544,791
Operating Expenses										
Communications	0	100	100		0	400	400		0.02	1,300
General Insurance	169	231	62	0.02	675	923	248	0.02	0.04	3,000
Supplies	0	589	589		0	2,356	2,356		0.10	7,915
Contract Facilities	162,653	80,769	(81,884)	17.81	542,247	323,077	(219,171)	18.29	13.71	1,050,000
Wages	0	8,769	8,769		0	35,077	35,077		1.49	114,000
Travel Meals & Ent	0	100	100		0	400	400		0.02	1,300
Veterinary	11,471	2,062	(9,409)	1.26	17,379	8,246	(9,133)	0.59	0.35	27,702
Herd Health	0	77	77		0	308	308		0.01	1,000
Trucking	60,679	29,921	(30,758)	6.65	166,037	119,685	(46,352)	5.60	5.08	411,141
Sales Costs	15,485	0	(15,485)	1.70	49,968	0	(49,968)	1.69		0
Head Office Services	2,800	0	(2,800)	0.31	11,979	0	(11,979)	0.40		0
Total Operating Exp.	253,258	122,618	(130,640)	27.74	788,287	490,471	(297,815)	26.58	20.82	1,617,357
Operating Income	(192,744)	327,501	520,245	(21.11)	586,170	1,304,190	718,020	19.77	55.36	6,075,814
Fixed expenses										
Net Income Before Taxes	(192,744)	327,501	520,245	(21.11)	586,170	1,304,190	718,020	19.77	55.36	6,075,814
Income Taxes	(60,232)	102,344	162,577	(6.60)	183,178	407,559	224,381	6.18	17.30	1,898,692
Net Income	(132,511)	225,157	357,668	(14.51)	402,992	896,630	493,638	13.59	38.06	4,177,122

Big Sky Farms Inc.
Contrac Barns - Wean to Finish
For the Four Months Ending October 18, 2008

	Actual October	Budget	VAR	Actual Per Hog	Actual YTD	Budget YTD	VAR	Actual Per Hog	Budget Per Hog	Budget Jun 30
Market Hog Sales	7,641	7,452	(189)	$1.00	32,820	29,808	(3,012)	$1.00	$1.00	96,327
Price per 100 KG	137	145	8	0.02	143	145	2	0.00	0.00	0
Revenue										
Market Hog Sales	1,146,637	1,129,878	(16,759)	150.06	5,071,115	4,530,043	(541,072)	154.51	151.97	16,076,331
Hog Inventory Adjustment	(116,347)	0	116,347	(15.23)	(508,788)	0	508,788	(15.50)		0
Feeder Pig Transfers	(36,268)	0	36,268	(4.75)	(552,287)	0	552,287	(16.83)		0
Total Revenue	994,022	1,129,878	135,856	130.09	4,010,040	4,530,043	520,003	122.18	151.97	16,076,331
Feed Costs	510,529	665,464	154,934	66.81	2,346,180	2,683,093	336,913	71.49	90.01	8,028,230
Operating Expenses										
General Insurance	0	1,154	1,154		0	4,615	4,615		0.15	15,000
Supplies	0	1,513	1,513		0	6,051	6,051		0.20	19,555
Contract Facilities	139.161	174,462	35,300	18.21	545,765	697,846	152,081	16.63	23.41	2,268,000
Wages	0	12,715	12,715		0	50,862	50,862		1.71	165,300
Veterinary	24,009	14,904	(9,105)	3.14	56,027	59,616	3,589	1.71	2.00	192,655
Herd Health	0	385	385		0	1,538	1,538		0.05	5,000
Trucking	35,712	37,856	2,144	4.67	168,510	151,425	(17,085)	5.13	5.08	500,119
Sales Costs	9,038	0	(9,038)	1.18	43,091	0	(43,091)	1.31		0
Head Office Services	2,802	0	(2,802)	0.37	15,934	0	(15,934)	0.49		0
Total Operating Exp.	210,723	242,988	32,266	27.58	829,327	971,953	142,626	25.27	32.61	3,165,629
Operating Income	272,770	221,427	(51,344)	35.70	834,533	874,997	40,464	25.43	29.35	4,882,472
Fixed expenses										
Net Income Before Taxes	272,770	221,427	(51,344)	35.70	834,533	874,997	40,464	25.43	29.35	4,882,472
Income Taxes	85,241	69,196	(16,045)	11.16	260,792	273,437	12,645	7.95	9.17	1,525,773
Net Income	187,530	152,231	(35,299)	24.54	573,742	601,561	27,819	17.48	20.18	3,356,700

Big Sky Farms Inc.
Contract Barns - Nurseries
For the Four Months Ending October 18, 2008

	Actual October	Budget	VAR	Actual Per Hog	Actual YTD	Budget YTD	VAR	Actual Per Hog	Budget Per Hog	Budget Jun 30
Feeder Pigs Sold	0	0	0		3,498	0	(3,498)			0
Revenue										
Feeder Hog Sales	0	0	0		141,188	0	(141,188)			0
Hog Inventory Adjustment	(32)	0	32		56,505	0	(56,505)			0
Feeder Pig Transfers	118,400	0	(118,400)		303,172	0	(303,172)			0
Total Revenue	118,368	0	(118,368)		500,865	0	(500,865)			0
Feed Costs	86,660	0	(86,660)		401,362	0	(401,362)			0
Operating Expenses										
Contract Facilities	49,150	0	(49,150)		181,688	0	(181,688)			0
Veterinary	9,797	0	(9,797)		46,292	0	(46,292)			0
Trucking	8,778	0	(8,778)		40,502	0	(40,502)			0
Head Office Services	560	0	(560)		3,323	0	(3,323)			0
Total Operating Exp.	68,285	0	(68,285)		271,805	0	(271,805)			0
Operating Income	(36,577)	0	36,577		(172,301)	0	172,301			0
Fixed expenses										
Net Income Before Taxes	(36,577)	0	36,577		(172,301)	0	172,301			0
Income Taxes	(11,430)	0	11,430		(53,844)	0	53,844			0
Net Income	(25,147)	0	25,147		(118,457)	0	118,457			0

Big Sky Farms Inc.
Farrow to Finish Units
For the Four Months Ending October 18, 2008

	Actual October	Budget	VAR	Actual Per Hog	Actual YTD	Budget YTD	VAR	Actual Per Hog	Budget Per Hog	Budget Jun 30
Market Hog Sales	4,379	5,622	1,243	$0.89	19,949	22,087	2,138	$0.83	$0.88	78,494
Price per 100 KG	131	134	2	0.03	126	134	8	0.01	0.01	0
Breeding Stock Sold	547	707	160	0.11	2,896	2,763	(133)	0.12	0.11	13,552
Feeder Pigs Sold	0	0	0		1,057	550	(507)	0.04	0.02	1,100
Isoweans Sold	0	0	0		3,861	0	(3,861)	0.16		0
Pigs Weaned	23,037	23,119	82	4.68	108,844	102,958	2,114	4.19	4.09	303,509
Revenue										
Market Hog Sales	604,428	800,734	196,306	122.70	2,965,931	3,152,911	186,980	123.09	125.16	12,323,882
Hog Sales:Breeding	155,423	195,757	40,334	31.55	809,770	766,364	(43,406)	33.61	30.42	3,692,939
Feeder Hog Sales	0	0	0		30,266	27,615	(2,651)	1.26	1.10	62,830
Isowean Sales	0	0	0		47,842	0	(47,842)	1.99		0
Hog Inventory Adjustment	67,496	0	(67,496)	13.70	657,258	0	(657,258)	27.28		0
Feeder Pig Transfers	335,815	0	(335,815)	68.17	1,595,426	0	(1,595,426)	66.21		0
Other Revenue	3,024	7,719	4,695	0.61	(3,047)	30,876	33,923	(0.13)	1.23	808,681
Total Revenue	1,166,186	1,004,209	(161,976)	236.74	6,103,445	3,977,766	(2,125,679)	253.30	157.90	16,888,332
Feed Costs	948,707	995,086	46,379	192.59	3,829,389	4,061,768	232,379	158.92	161.23	12,776,240
Operating Expenses										
Communications	4,151	5,651	1,500	0.84	19,732	26,132	6,400	0.82	1.04	74,639
Power	42,614	57,415	14,802	8.65	213,732	248,519	34,787	8.87	9.87	723,942
Water Costs	44	0	(44)	0.01	44	0	(44)	0.00		0
Heating Fuel	36,873	27,072	(9,802)	7.49	105,359	120,757	15,398	4.37	4.79	364,823
General Insurance	35,944	23,835	(12,109)	7.30	142,235	106,138	(36,096)	5.90	4.21	313,450
Manure Removal	95,878	69,664	(26,214)	19.46	245,893	267,670	21,777	10.20	10.63	579,692
Repairs & Maintenance	55,379	47,205	(8,174)	11.24	171,927	212,163	40,236	7.14	8.42	601,608
Dead Disposal	3,922	6,236	2,314	0.80	15,640	29,102	13,462	0.65	1.16	80,054
Contract Services	1,597	4,643	3,046	0.32	16,326	21,344	5,018	0.68	0.85	61,283
Supplies	16,994	29,820	12,826	3.45	85,223	118,481	33,258	3.54	4.70	371,954
Property Taxes	38,970	8,577	(30,393)	7.91	119,355	37,077	(82,278)	4.95	1.47	112,423
Wages	247,943	249,556	1,613	50.33	1,097,819	1,103,141	5,322	45.56	43.79	3,235,700
Employee Benefits	34,734	34,938	204	7.05	159,966	154,440	(5,526)	6.64	6.13	452,998
Staff Training	0	0	0		165	0	(165)	0.01		0
Travel Meals & Ent	3,930	5,150	1,220	0.80	10,499	22,775	12,276	0.44	0.90	67,625
Breeding Herd Costs	171,768	172,529	760	34.87	356,575	690,114	333,540	14.80	27.39	2,242,872
less sale of cull sows	(100,068)	(75,438)	24,630	(20.31)	(579,663)	(848,081)	(268,418)	(24.06)	(33.67)	(1,792,796)
Veterinary	34,077	58,615	24,538	6.92	138,066	239,690	101,624	5.73	9.51	735,123
Herd Health	3,259	6,375	3,115	0.66	29,932	26,727	(3,205)	1.24	1.06	83,280
AI Costs	36,165	38,020	1,855	7.34	160,282	168,714	8,432	6.65	6.70	495,600
Herd Health Export Fees	6,349	6,915	566	1.29	31,216	33,653	2,437	1.30	1.34	95,871
Trucking	105,059	97,371	(7,688)	21.33	457,330	417,804	(39,525)	18.98	16.59	1,385,902
Sales Costs	7,298	0	(7,298)	1.48	41,227	0	(41,227)	1.71		0
Head Office Services	61,496	81,243	19,748	12.48	311,201	324,972	13,772	12.91	12.90	1,056,160
Total Operating Exp.	944,376	955,389	11,013	191.71	3,350,079	3,521,333	171,254	139.03	139.78	11,342,201
Operating Income	(726,898)	(946,265)	(219,368)	(147.56)	(1,076,023)	(3,605,335)	(2,529,312)	(44.66)	(143.12)	(7,230,109)
Fixed expenses										
Interest	103,988	106,573	2,585	21.11	391,739	426,293	34,554	16.26	16.92	1,385,451
Depreciation & Amortization	163,668	173,369	9,701	33.23	616,240	693,476	77,237	25.57	27.53	2,253,800
Total Fixed Exp.	267,657	279,942	12,286	54.34	1,007,978	1,119,769	111,791	41.83	44.45	3,639,251
Non-recurring Items	0	(468,000)	(468,000)		0	(468,000)	(468,000)		(18.58)	(438,000)
Net Income Before Taxes	(994,554)	(758,208)	236,347	(201.90)	(2,084,001)	(4,257,104)	(2,173,103)	(86.49)	(168.99)	(10,431,361)
Income Taxes	(310,798)	(236,940)	73,858	(63.09)	(651,250)	(1,330,345)	(679,095)	(27.03)	(52.81)	(3,259,800)
Net Income	(683,756)	(521,268)	162,488	(138.81)	(1,432,751)	(2,926,759)	(1,494,008)	(59.46)	(116.18)	(7,171,560)

Big Sky Farms Inc.
18-Oct-08

Quick Cash Position

Cash on hand	$	(7,652,784)
Drawn line of Credit		(22,000,000)
Available Line of Credit		26,500,000
Cash Available		(3,152,784)
Accounts Receivable		7,155,403
Accounts Payable , Other Liabilities and LCT		10,559,323
Funds available from long term debt		-
Quick Cash Balance	$	14,561,942

Current Ratio (modified)

Current Assets per financial statements	$42,212,729
Breeding Stock	12,821,764
	$55,034,493
Current liabilities per financial statements	$86,217,615
Less reclassifed long term debt	(34,439,118)
Construction Accounts Payable	-
	$51,778,497

Current Ratio	**Covenant**	**1 to 1**	**1.06**

Senior Debt Ratio

EBITDA	Jul to Sep 2008		1,338,183	
	Oct to Dec 2008	Estimate	(2,486,303)	
	Jan to Mar 2008		(3,680,029)	
	Apr to Jun 2008		(1,393,123)	(6,223,272)
Senior Debt:	Line of Credit			29,652,784
	Current Portion of Senior Debt			4,065,568
	Current Portion of Capital leases			828,284
	Long-Term Senior Debt			41,465,372
	Capital Leases			8,301,498
				84,313,506

Senior Debt Ratio	**Covenant**	**not required**	**(13.55)**

Debt Service Ratio (modified)

EBITDA - Last Four Quarters as above				(6,223,272)
Current Portion of Senior Debt				n/a
Interest:	Jul to Sep 2008	0	1,510,274	
	Oct to Dec 2008	estimate	1,500,612	
	Jan to Mar 2008		1,790,510	
	Apr to Jun 2008		1,643,888	6,445,284
Capital Lease Payments				
	Jul to Sep 2008		50,114	
	Oct to Dec 2008		0	
	Jan to Mar 2008		149,029	
	Apr to Jun 2008		152,918	352,061
				6,797,345

Debt Service Ratio	**Covenant**	**1:1**	**(0.92)**

Big Sky Farms Inc.
Long-Term Debt
As at October 18, 2008

	Principal Outstanding	Current Portion	Balance
Syndicated loan - Credit B	$ 32,489,118	$ 4,600,000	$ 27,889,118
Syndicated loan - Credit C	7,550,000	1,000,000	$ 6,550,000
Sask Government Hog Loan 2002	613,141	613,141	-
Sask Government Hog Loan 2008	4,878,681	813,114	4,065,568
Senior debt	**45,530,940**	**7,026,255**	**38,504,685**
Scotiabank debt reclassified as current		34,439,118	(34,439,118)
Senior debt reclassified		**41,465,372**	**4,065,568**
Golden Opportunities Fund Inc.	1,500,000	600,000	900,000
Farm Credit Canada Ventures Inc.	1,500,000	600,000	900,000
Shareholder Loans	3,110,845	-	3,110,845
Promissory Note - Florian Possberg	631,500	325,000	306,500
Subordinated debt	**6,742,345**	**1,525,000**	**5,217,345**
Prairie Hog Production Limited Partnership - Nursery	6,016,863	596,853	5,420,010
Prairie Hog Production Limited Partnership - Finisher	3,112,919	231,431	2,881,488
Capital Lease Obligation	**9,129,782**	**828,284**	**8,301,498**
	$ 61,403,067	**$ 43,818,656**	**$ 17,584,411**

Big Sky Farms Inc.
10333 8th Avenue • P.O. Box 610 • Humboldt, Saskatchewan Canada S0K 2A0
Tel. (306) 682-5041 • Fax (306) 682-5042

THE BOARD OF DIRECTORS

Big Sky Farms Inc.

I HEREBY CERTIFY THAT as of October 18, 2008 all funds required to be paid to the following are paid in full and no arrears exist.

1. Canada Customs and Revenue Agency for payroll deductions and corporate tax under the provisions of *The Income Tax Act*; and

2. Minister of Finance under the provisions of *The Workers Compensation Act.*

I further certify that all wages due to all employees have been paid in full.

The unpaid vacation pay due to employees, as at October 18, 2008 was $723,058.28.

DATED AT the City of Humboldt, in the Province of Saskatchewan, this 27th day of October, 2008.

BIG SKY FARMS INC.

Canute Tagseth, Chief Financial Officer

Lorianne Earis, Controller