



Financial Report

For the Two Periods Ending
August 22, 2009

THIS IS EXHIBIT " L " referred to in
the Affidavit of Carole Tasse
SWORN before me at Saskatoon, SK
this 2 day of
November, 2009

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

Big Sky Farms Inc.
Statement of Operations
For the Two Months Ending August 22, 2009

	<u>August</u>	<u>YTD</u>	<u>Previous YTD</u>
Revenue			
Hog Sales	7,010,001	15,247,822	19,649,298
Hog Inventory Adjustment	644,891	2,049,192	2,899,970
Total Hog Revenue	7,654,892	17,297,014	22,549,268
Other Revenue	(22,307)	5,075	4,557
Total Revenue	7,632,585	17,302,089	22,553,825
Feed Costs	5,362,673	10,559,578	14,405,109
Operating Expenses			
Communications	11,309	22,199	25,268
Power	169,614	293,536	271,093
Heating Fuel	34,604	62,505	91,302
General Insurance	91,503	183,005	179,328
Manure Removal	254,866	499,393	386,600
Repairs & Maintenance	323,496	552,032	419,683
Dead Disposal	17,843	34,783	38,768
Supplies	77,638	128,831	141,820
Property Taxes	84,488	85,823	102,774
Contract Facilities	546,066	872,127	936,258
Wages	725,292	1,572,219	1,683,301
Employee Benefits	117,902	246,204	249,352
Travel, Meals & Entertain	4,052	11,665	10,720
Breeding Herd Costs	214,366	379,648	(1,752,153)
Veterinary	162,844	302,580	288,635
Herd Health	11,586	35,135	42,324
AI Costs	119,886	221,789	273,838
Herd Health Export Fees	8,507	11,954	35,456
Trucking	672,032	1,222,219	1,642,289
Sales Costs	57,153	113,384	185,948
Head Office Services	268,998	320,229	619,058
Total Operating Exp.	3,974,045	7,171,261	5,871,661
Operating Income	(1,704,132)	(428,750)	2,277,055
Fixed expenses			
Interest	270,528	826,727	935,304
Accretion on Financial Inst	71,008	142,017	17,938
Depreciation/Amortization	769,569	1,542,429	1,850,179
Total Fixed Exp.	1,111,106	2,511,173	2,803,421
Net Income Before Taxes	(2,815,238)	(2,939,922)	(526,365)
Income taxes	(857,572)	(874,346)	(158,884)
Net Income	(1,957,666)	(2,065,577)	(367,482)

Big Sky Farms Inc.
Balance Sheet
August 22, 2009

	08/22/09	06/27/09
Current Assets		
Accounts Receivable	3,771,263	4,848,595
Inventory	31,967,013	29,992,620
Prepaid Insurance	264,564	464,337
	36,002,840	35,305,552
Land Building and Equipment		
Cost	148,965,809	149,035,280
less: Accumulated Depreciation	(53,796,375)	(52,684,828)
	95,169,434	96,350,452
Breeding Stock	10,133,029	10,183,337
Other Assets	55,385	56,939
	141,360,688	141,896,279
Current Liabilities		
Bank Overdraft	5,069,175	4,875,617
Line of Credit	22,000,000	22,000,000
Accounts Payable	14,736,561	12,620,275
Other liabilities	1,553,167	1,765,910
Interest Payable	2,556,376	2,201,765
Corporate Tax Payable	(5,819)	(5,819)
Current Portion Senior Debt	38,837,974	38,642,046
Current Portion Subordinated Debt	6,350,000	6,281,049
Current Portion Capital Lease Obligation	1,444,838	1,319,910
	92,542,272	89,700,752
Long-Term Debt		
Senior Debt	4,233,896	4,490,496
Subordinated Debt	1,800,000	1,800,000
Capital Lease Obligation	7,684,944	7,809,872
	13,718,840	14,100,368
Interest Payable - Long term	364,461	341,395
Asset Retirement Obligation	297,061	295,187
Future Income Taxes	2,215,745	3,090,091
	109,138,379	107,527,794
Shareholders Equity		
Common Stock	39,437,362	39,517,962
Equity Portion of Compound Instruments	767,000	767,000
Contributed Surplus	4,970,597	4,970,597
Retained Earnings	(10,887,073)	3,300,202
Current Earnings	(2,065,577)	(14,187,275)
	32,222,309	34,368,486
	141,360,688	141,896,279

Big Sky Farms Inc.
Statement of Cash Flows
For the Two Months Ending August 22, 2009

	Month	YTD	Previous YTD
CASH FLOW FROM (USED IN)			
OPERATING ACTIVITIES			
Operating Income	(1,957,666)	(2,065,577)	(367,482)
Financial Insts Accretion	71,008	142,017	17,938
Depreciation and Amortization	769,569	1,542,429	1,850,179
Future income taxes	(857,572)	(874,346)	(158,884)
	(1,974,661)	(1,255,477)	1,341,752
Changes in non-cash working capital			
Accounts Receivable	1,177,100	1,080,651	(579,291)
Inventory Asset	(557,266)	(1,974,393)	(3,171,740)
Prepaid Insurance	101,004	199,773	187,642
Accounts Payable and Accrued Liabilities	1,385,207	2,277,901	(10,765)
CASH FLOW FROM (USED IN)			
OPERATING ACTIVITIES	131,384	328,455	(2,232,402)
CASH FLOWS USED IN			
INVESTING ACTIVITIES			
Acquisition of Capital Assets	29,184	62,623	41,849
Breeding Herd	(71,910)	(371,852)	(2,287,418)
Deferred and start-up charges	1,195	1,554	(3,963)
CASH FLOWS USED IN			
INVESTING ACTIVITIES	(41,531)	(307,675)	(2,249,532)
CASH FLOWS FROM FINANCING			
ACTIVITIES			
Change in Operating Line of Credit	0	0	0
Proceeds From Long-Term Debt	59,475	118,951	65,873
Repayment of Long-Term Debt	(39,426)	(110,672)	(372,794)
Common Stock	0	(80,600)	0
Debt Accretion	(71,008)	(142,017)	(17,938)
CASH FLOWS FROM FINANCING			
ACTIVITIES	(50,959)	(214,338)	(324,858)
NET INCREASE IN CASH	38,894	(193,558)	(4,806,793)
CASH POSITION BEGINNING			
OF PERIOD	(5,108,069)	(4,875,617)	(2,261,673)
CASH POSITION END OF			
PERIOD	(5,069,175)	(5,069,175)	(7,068,466)
REPRESENTED BY:			
Cash	(5,069,175)	(5,069,175)	(7,069,793)
	(5,069,175)	(5,069,175)	(7,069,793)

Big Sky Farms Inc.
Summary All Operations
For the Two Months Ending August 22, 2009

	Actual August	Actual Per Hog	Actual YTD	Actual Per Hog
Market Hog Sales	57,109	\$0.96	111,057	\$0.94
Price per 100 KG	107	0.00	118	0.00
Breeding Stock Sold	1,390	0.02	3,252	0.03
Feeder Pigs Sold	2,604	0.04	7,577	0.06
Isoweans Sold	0		1,945	0.02
Pigs Weaned	78,962	1.33	159,328	1.35
Calculation Per Hog Number	59,489	1.00	117,616	1.00
Revenue				
Market Hog Sales	6,569,612	110.43	14,145,415	120.27
Hog Sales:Breeding	389,268	6.54	922,048	7.84
Feeder Hog Sales	51,122	0.86	153,226	1.30
Isowean Sales	0		27,133	0.23
Hog Inventory Adjustment	644,891	10.84	2,049,192	17.42
Other Revenue	(22,307)	(0.37)	5,075	0.04
Total Revenue	7,632,585	128.30	17,302,089	147.11
Feed Costs	5,362,673	90.15	10,559,578	89.78
Operating Expenses				
Communications	11,309	0.19	22,199	0.19
Power	169,614	2.85	293,536	2.50
Heating Fuel	34,604	0.58	62,505	0.53
General Insurance	91,503	1.54	183,005	1.56
Manure Removal	254,866	4.28	499,393	4.25
Repairs & Maintenance	299,631	5.04	514,810	4.38
Dead Disposal	17,843	0.30	34,783	0.30
Contract Services	23,865	0.40	37,223	0.32
Supplies	77,638	1.31	128,831	1.10
Property Taxes	84,488	1.42	85,823	0.73
Contract Facilities	546,066	9.18	872,127	7.42
Wages	725,292	12.19	1,572,219	13.37
Employee Benefits	117,902	1.98	246,204	2.09
Travel Meals & Ent	4,052	0.07	11,665	0.10
Breeding Herd Costs	390,209	6.56	726,129	6.17
less sale of cull sows	(175,843)	(2.96)	(346,481)	(2.95)
Veterinary	162,844	2.74	302,580	2.57
Herd Health	11,586	0.19	35,135	0.30
AI Costs	119,886	2.02	221,789	1.89
Herd Health Export Fees	8,507	0.14	11,954	0.10
Trucking	672,032	11.30	1,222,219	10.39
Sales Costs	57,153	0.96	113,384	0.96
Head Office Services	268,998	4.52	320,229	2.72
Total Operating Exp.	3,974,045	66.80	7,171,261	60.97
Operating Income	(1,704,132)	(28.65)	(428,750)	(3.65)
Fixed expenses				
Interest	270,528	4.55	826,727	7.03
Debt Instruments Accretion	71,008	1.19	142,017	1.21
Depreciation & Amortization	769,569	12.94	1,542,429	13.11
Total Fixed Exp.	1,111,106	18.68	2,511,173	21.35
Net Income Before Taxes	(2,815,238)	(47.32)	(2,939,922)	(25.00)
Income Taxes	(857,572)	(14.42)	(874,346)	(7.43)
Net Income	(1,957,666)	(32.91)	(2,065,577)	(17.56)

Big Sky Farms Inc.
3-Site Operations
For the Two Months Ending August 22, 2009

	Actual August	Actual Per Hog	Actual YTD	Actual Per Hog
Market Hog Sales	35,917	\$0.95	71,227	\$0.96
Price per 100 KG	108	0.00	120	0.00
Breeding Stock Sold	1,091	0.03	2,241	0.03
Feeder Pigs Sold	2,082	0.06	2,082	0.03
Pigs Weaned	49,884	1.32	100,520	1.35
Calculation Per Hog Number	37,799	1.00	74,259	1.00
Revenue				
Market Hog Sales	4,191,242	110.88	9,277,253	124.93
Hog Sales:Breeding	304,389	8.05	625,239	8.42
Feeder Hog Sales	35,434	0.94	35,434	0.48
Hog Inventory Adjustment	526,459	13.93	1,467,639	19.76
Feeder Pig Transfers	17,257	0.46	49,461	0.67
Other Revenue	(15,506)	(0.41)	5,558	0.07
Total Revenue	5,059,275	133.85	11,460,585	154.33
Feed Costs	3,587,072	94.90	7,102,346	95.64
Operating Expenses				
Communications	7,098	0.19	14,023	0.19
Power	109,737	2.90	173,536	2.34
Heating Fuel	17,183	0.45	28,072	0.38
General Insurance	55,181	1.46	110,363	1.49
Manure Removal	213,549	5.65	373,571	5.03
Repairs & Maintenance	174,111	4.61	327,530	4.41
Dead Disposal	14,336	0.38	28,070	0.38
Contract Services	21,120	0.56	31,970	0.43
Supplies	51,138	1.35	80,762	1.09
Property Taxes	24,640	0.65	25,367	0.34
Contract Facilities	263,328	6.97	305,560	4.11
Wages	469,500	12.42	1,009,631	13.60
Employee Benefits	78,886	2.09	162,487	2.19
Travel Meals & Ent	2,011	0.05	5,886	0.08
Breeding Herd Costs	237,139	6.27	416,345	5.61
less sale of cull sows	(103,446)	(2.74)	(189,680)	(2.55)
Veterinary	89,540	2.37	175,113	2.36
Herd Health	6,772	0.18	23,673	0.32
AI Costs	76,151	2.01	139,718	1.88
Herd Health Export Fees	450	0.01	600	0.01
Trucking	479,714	12.69	850,682	11.46
Sales Costs	39,187	1.04	77,065	1.04
Head Office Services	194,997	5.16	230,985	3.11
Total Operating Exp.	2,522,320	66.73	4,401,330	59.27
Operating Income	(1,050,117)	(27.78)	(43,091)	(0.58)
Fixed expenses				
Interest	217,908	5.76	610,430	8.22
Debt Instruments Accretion	62,512	1.65	125,024	1.68
Depreciation & Amortization	570,966	15.11	1,141,830	15.38
Total Fixed Exp.	851,386	22.52	1,877,283	25.28
Net Income Before Taxes	(1,901,503)	(50.31)	(1,920,374)	(25.86)
Income Taxes	(574,685)	(15.20)	(561,047)	(7.56)
Net Income	(1,326,818)	(35.10)	(1,359,327)	(18.31)

Big Sky Farms Inc.
Burr Kelvington Division
For the Two Months Ending August 22, 2009

	Actual August	Actual Per Hog	Actual YTD	Actual Per Hog
Market Hog Sales	2,466	\$0.76	3,858	\$0.66
Price per 100 KG	97	0.03	109	0.02
Breeding Stock Sold	400	0.12	1,550	0.27
Feeder Pigs Sold	1,039	0.32	1,039	0.18
Pigs Weaned	5,070	1.55	10,268	1.77
Calculation Per Hog Number	3,261	1.00	5,803	1.00
Revenue				
Market Hog Sales	239,377	73.41	428,121	73.78
Hog Sales: Breeding	111,600	34.22	432,450	74.52
Feeder Hog Sales	17,365	5.33	17,365	2.99
Hog Inventory Adjustment	100,430	30.80	138,582	23.88
Feeder Pig Transfers	0		69,654	12.00
Other Revenue	(2,274)	(0.70)	(493)	(0.08)
Total Revenue	466,498	143.06	1,085,680	187.10
Feed Costs	363,513	111.48	717,010	123.56
Operating Expenses				
Communications	1,161	0.36	2,333	0.40
Power	10,763	3.30	19,607	3.38
Heating Fuel	2,898	0.89	6,529	1.13
General Insurance	6,012	1.84	12,023	2.07
Manure Removal	23,955	7.35	41,801	7.20
Repairs & Maintenance	29,133	8.93	44,284	7.63
Dead Disposal	1,052	0.32	2,384	0.41
Contract Services	1,983	0.61	3,510	0.60
Supplies	7,167	2.20	12,044	2.08
Property Taxes	12,630	3.87	12,630	2.18
Wages	61,424	18.84	130,761	22.53
Employee Benefits	10,432	3.20	21,653	3.73
Travel Meals & Ent	407	0.12	710	0.12
Breeding Herd Costs	37,383	11.46	62,620	10.79
less sale of cull sows	(16,752)	(5.14)	(24,584)	(4.24)
Veterinary	7,886	2.42	15,766	2.72
Herd Health	751	0.23	2,626	0.45
AI Costs	6,723	2.06	13,399	2.31
Herd Health Export Fees	150	0.05	150	0.03
Trucking	35,025	10.74	69,044	11.90
Sales Costs	2,413	0.74	3,606	0.62
Head Office Services	22,533	6.91	26,692	4.60
Total Operating Exp.	265,129	81.31	479,589	82.65
Operating Income	(162,144)	(49.72)	(110,919)	(19.11)
Fixed expenses				
Interest	14,383	4.41	49,400	8.51
Debt Instruments Accretion	8,496	2.61	16,993	2.93
Depreciation & Amortization	53,199	16.31	106,630	18.38
Total Fixed Exp.	76,078	23.33	173,023	29.82
Net Income Before Taxes	(238,222)	(73.06)	(283,942)	(48.93)
Income Taxes	(71,789)	(22.02)	(83,422)	(14.38)
Net Income	(166,433)	(51.04)	(200,521)	(34.56)

Big Sky Farms Inc.
Lintlaw Goodeve Division
For the Two Months Ending August 22, 2009

	Actual August	Actual Per Hog	Actual YTD	Actual Per Hog
Market Hog Sales	2,587	\$0.79	3,918	\$0.85
Price per 100 KG	116	0.04	126	0.03
Breeding Stock Sold	691	0.21	691	0.15
Pigs Weaned	4,685	1.43	9,725	2.11
Calculation Per Hog Number	3,278	1.00	4,609	1.00
Revenue				
Market Hog Sales	324,415	98.97	532,294	115.49
Hog Sales:Breeding	192,789	58.81	192,789	41.83
Hog Inventory Adjustment	67,105	20.47	275,543	59.78
Feeder Pig Transfers	14,400	4.39	53,115	11.52
Other Revenue	(2,274)	(0.69)	(493)	(0.11)
Total Revenue	596,435	181.95	1,053,249	228.52
Feed Costs	327,382	99.87	652,849	141.65
Operating Expenses				
Communications	1,144	0.35	2,157	0.47
Power	12,009	3.66	23,113	5.01
Heating Fuel	5,748	1.75	9,955	2.16
General Insurance	6,190	1.89	12,380	2.69
Manure Removal	16,143	4.92	31,267	6.78
Repairs & Maintenance	26,928	8.21	49,851	10.82
Dead Disposal	1,023	0.31	2,047	0.44
Contract Services	2,550	0.78	3,837	0.83
Supplies	4,202	1.28	12,526	2.72
Property Taxes	1,493	0.46	1,493	0.32
Wages	54,729	16.70	116,225	25.22
Employee Benefits	8,960	2.73	19,113	4.15
Travel Meals & Ent	171	0.05	647	0.14
Breeding Herd Costs	26,492	8.08	47,839	10.38
less sale of cull sows	(10,798)	(3.29)	(21,924)	(4.76)
Veterinary	11,025	3.36	21,996	4.77
Herd Health	751	0.23	2,626	0.57
AI Costs	8,741	2.67	8,741	1.90
Herd Health Export Fees	75	0.02	75	0.02
Trucking	49,194	15.01	68,762	14.92
Sales Costs	2,345	0.72	3,512	0.76
Head Office Services	22,533	6.87	26,692	5.79
Total Operating Exp.	251,647	76.77	442,928	96.10
Operating Income	17,406	5.31	(42,528)	(9.23)
Fixed expenses				
Interest	14,383	4.39	49,400	10.72
Debt Instruments Accretion	8,496	2.59	16,993	3.69
Depreciation & Amortization	55,094	16.81	110,041	23.88
Total Fixed Exp.	77,974	23.79	176,434	38.28
Net Income Before Taxes	(60,568)	(18.48)	(218,962)	(47.51)
Income Taxes	(16,272)	(4.96)	(63,115)	(13.69)
Net Income	(44,296)	(13.51)	(155,847)	(33.81)

Big Sky Farms Inc.
Preeceville Sturgis Division
For the Two Months Ending August 22, 2009

	Actual August	Actual Per Hog	Actual YTD	Actual Per Hog
Market Hog Sales	4,741	\$1.00	9,552	\$1.00
Price per 100 KG	117	0.02	130	0.01
Pigs Weaned	5,756	1.21	11,637	1.22
Calculation Per Hog Number	4,741	1.00	9,552	1.00
Revenue				
Market Hog Sales	601,543	126.88	1,354,409	141.79
Hog Inventory Adjustment	(56,496)	(11.92)	(50,766)	(5.31)
Feeder Pig Transfers	13,500	2.85	45,704	4.78
Other Revenue	(2,274)	(0.48)	(493)	(0.05)
Total Revenue	556,272	117.33	1,348,854	141.21
Feed Costs	384,585	81.12	775,247	81.16
Operating Expenses				
Communications	1,372	0.29	2,749	0.29
Power	12,349	2.60	12,587	1.32
Heating Fuel	4,121	0.87	4,121	0.43
General Insurance	6,441	1.36	12,882	1.35
Manure Removal	25,415	5.36	47,148	4.94
Repairs & Maintenance	44,004	9.28	56,967	5.96
Dead Disposal	1,696	0.36	3,356	0.35
Contract Services	1,450	0.31	3,380	0.35
Supplies	4,290	0.90	12,268	1.28
Property Taxes	2,664	0.56	2,664	0.28
Wages	58,638	12.37	127,795	13.38
Employee Benefits	10,251	2.16	21,185	2.22
Travel Meals & Ent	397	0.08	1,109	0.12
Breeding Herd Costs	27,851	5.87	47,753	5.00
less sale of cull sows	(11,049)	(2.33)	(24,724)	(2.59)
Veterinary	11,126	2.35	26,918	2.82
Herd Health	751	0.16	2,626	0.27
AI Costs	6,444	1.36	12,710	1.33
Herd Health Export Fees	75	0.02	225	0.02
Trucking	64,168	13.53	119,565	12.52
Sales Costs	5,174	1.09	9,936	1.04
Head Office Services	22,533	4.75	26,692	2.79
Total Operating Exp.	300,161	63.31	529,912	55.48
Operating Income	(128,473)	(27.10)	43,695	4.57
Fixed expenses				
Interest	14,383	3.03	49,400	5.17
Debt Instruments Accretion	8,496	1.79	16,993	1.78
Depreciation & Amortization	61,313	12.93	122,586	12.83
Total Fixed Exp.	84,193	17.76	188,979	19.78
Net Income Before Taxes	(212,666)	(44.86)	(145,284)	(15.21)
Income Taxes	(63,803)	(13.46)	(40,091)	(4.20)
Net Income	(148,863)	(31.40)	(105,193)	(11.01)

Big Sky Farms Inc.
Ogema Division
For the Two Months Ending August 22, 2009

	Actual August	Actual Per Hog	Actual YTD	Actual Per Hog
Market Hog Sales	6,702	\$1.00	13,553	\$1.00
Price per 100 KG	120	0.02	131	0.01
Pigs Weaned	11,241	1.68	22,944	1.69
Calculation Per Hog Number	6,702	1.00	13,553	1.00
Revenue				
Market Hog Sales	860,302	128.36	1,938,709	143.05
Hog Inventory Adjustment	350,780	52.34	638,562	47.12
Other Revenue	440	0.07	9,012	0.66
Total Revenue	1,211,522	180.77	2,586,283	190.83
Feed Costs	716,548	106.92	1,435,136	105.89
Operating Expenses				
Communications	882	0.13	1,935	0.14
Power	16,617	2.48	31,391	2.32
Heating Fuel	1,528	0.23	1,528	0.11
General Insurance	10,056	1.50	20,112	1.48
Manure Removal	42,695	6.37	74,917	5.53
Repairs & Maintenance	24,013	3.58	58,740	4.33
Dead Disposal	3,034	0.45	6,465	0.48
Contract Services	4,056	0.61	5,571	0.41
Supplies	13,894	2.07	15,209	1.12
Property Taxes	2,000	0.30	2,008	0.15
Contract Facilities	218,489	32.60	218,489	16.12
Wages	86,188	12.86	179,228	13.22
Employee Benefits	14,797	2.21	29,299	2.16
Travel Meals & Ent	297	0.04	1,350	0.10
Breeding Herd Costs	49,360	7.36	82,725	6.10
less sale of cull sows	(20,921)	(3.12)	(36,067)	(2.66)
Veterinary	20,029	2.99	24,660	1.82
Herd Health	1,506	0.22	5,264	0.39
AI Costs	16,872	2.52	32,922	2.43
Trucking	72,506	10.82	112,907	8.33
Sales Costs	5,658	0.84	11,365	0.84
Head Office Services	37,476	5.59	44,392	3.28
Total Operating Exp.	621,032	92.66	924,412	68.21
Operating Income	(126,058)	(18.81)	226,735	16.73
Fixed expenses				
Interest	57,805	8.63	153,186	11.30
Debt Instruments Accretion	14,260	2.13	28,526	2.10
Depreciation & Amortization	115,514	17.24	230,687	17.02
Total Fixed Exp.	187,579	27.99	412,398	30.43
Net Income Before Taxes	(313,637)	(46.80)	(185,663)	(13.70)
Income Taxes	(93,555)	(13.96)	(49,105)	(3.62)
Net Income	(220,082)	(32.84)	(136,558)	(10.08)

Big Sky Farms Inc.
Rama Division
For the Two Months Ending August 22, 2009

	Actual August	Actual Per Hog	Actual YTD	Actual Per Hog
Market Hog Sales	9,528	50.96	20,237	50.98
Price per 100 KG	98	0.01	115	0.01
Feeder Pigs Sold	1,043	0.11	1,043	0.05
Pigs Weaned	11,878	1.20	23,189	1.12
Calculation Per Hog Number	9,924	1.00	20,633	1.00
Revenue				
Market Hog Sales	1,012,545	102.03	2,487,206	120.54
Feeder Hog Sales	18,069	1.82	18,069	0.88
Hog Inventory Adjustment	35,108	3.54	90,828	4.40
Other Revenue	(4,560)	(0.46)	(988)	(0.05)
Total Revenue	1,061,162	106.93	2,595,115	125.77
Feed Costs	841,476	84.79	1,608,225	77.94
Operating Expenses				
Communications	1,242	0.13	2,433	0.12
Power	29,373	2.96	39,511	1.91
Heating Fuel	135	0.01	1,143	0.06
General Insurance	13,168	1.33	26,337	1.28
Manure Removal	56,525	5.70	92,332	4.47
Repairs & Maintenance	21,641	2.18	46,468	2.25
Dead Disposal	3,683	0.37	6,554	0.32
Contract Services	6,624	0.67	11,214	0.54
Supplies	10,842	1.09	13,015	0.63
Property Taxes	3,970	0.40	4,377	0.21
Wages	106,765	10.76	240,125	11.64
Employee Benefits	17,747	1.79	37,320	1.81
Travel Meals & Ent	449	0.05	863	0.04
Breeding Herd Costs	38,648	3.89	85,264	4.13
less sale of cull sows	(21,647)	(2.18)	(38,203)	(1.85)
Veterinary	14,837	1.50	39,561	1.92
Herd Health	1,506	0.15	5,264	0.26
AI Costs	18,718	1.89	36,016	1.75
Herd Health Export Fees	150	0.02	150	0.01
Trucking	135,710	13.67	241,101	11.69
Sales Costs	12,874	1.30	26,428	1.28
Head Office Services	44,960	4.53	53,258	2.58
Total Operating Exp.	517,920	52.19	970,532	47.04
Operating Income	(298,235)	(30.05)	16,357	0.79
Fixed expenses				
Interest	88,097	8.88	209,934	10.17
Debt Instruments Accretion	14,265	1.44	28,526	1.38
Depreciation & Amortization	143,208	14.43	286,581	13.89
Total Fixed Exp.	245,570	24.74	525,041	25.45
Net Income Before Taxes	(543,805)	(54.80)	(508,684)	(24.65)
Income Taxes	(165,481)	(16.67)	(150,049)	(7.27)
Net Income	(378,324)	(38.12)	(358,635)	(17.38)

Big Sky Farms Inc.
Porcupine Division
For the Two Months Ending August 22, 2009

	Actual August	Actual Per Hog	Actual YTD	Actual Per Hog
Market Hog Sales	9,495	\$1.00	19,083	\$1.00
Price per 100 KG	105	0.01	115	0.01
Pigs Weaned	11,254	1.19	22,757	1.19
Calculation Per Hog Number	9,495	1.00	19,083	1.00
Revenue				
Market Hog Sales	1,105,616	116.44	2,389,993	125.24
Hog Inventory Adjustment	39,624	4.17	153,214	8.03
Other Revenue	(4,563)	(0.48)	(988)	(0.05)
Total Revenue	1,140,677	120.13	2,542,218	133.22
Feed Costs	819,530	86.31	1,675,521	87.80
Operating Expenses				
Communications	1,297	0.14	2,416	0.13
Power	28,625	3.01	47,327	2.48
Heating Fuel	2,753	0.29	4,797	0.25
General Insurance	13,193	1.39	26,386	1.38
Manure Removal	48,816	5.14	86,105	4.51
Repairs & Maintenance	28,393	2.99	71,219	3.73
Dead Disposal	3,848	0.41	7,264	0.38
Contract Services	4,457	0.47	4,457	0.23
Supplies	10,743	1.13	15,699	0.82
Property Taxes	1,882	0.20	2,195	0.12
Wages	101,756	10.72	215,497	11.29
Employee Benefits	16,698	1.76	33,917	1.78
Travel Meals & Ent	290	0.03	1,207	0.06
Breeding Herd Costs	57,405	6.05	90,144	4.72
less sale of cull sows	(22,279)	(2.35)	(44,178)	(2.32)
Veterinary	24,443	2.57	45,050	2.36
Herd Health	1,507	0.16	5,268	0.28
AI Costs	18,654	1.96	35,930	1.88
Trucking	120,208	12.66	231,303	12.12
Sales Costs	10,262	1.08	21,229	1.11
Head Office Services	44,960	4.74	53,258	2.79
Total Operating Exp.	517,911	54.55	956,491	50.12
Operating Income	(196,764)	(20.72)	(89,794)	(4.71)
Fixed expenses				
Interest	28,857	3.04	99,110	5.19
Debt Instruments Accretion	8,496	0.89	16,993	0.89
Depreciation & Amortization	142,639	15.02	285,305	14.95
Total Fixed Exp.	179,992	18.96	401,408	21.03
Net Income Before Taxes	(376,756)	(39.68)	(491,201)	(25.74)
Income Taxes	(115,081)	(12.12)	(148,190)	(7.77)
Net Income	(261,675)	(27.56)	(343,011)	(17.97)

Big Sky Farms Inc.
Contract Canadian
For the Two Months Ending August 22, 2009

	Actual August	Actual Per Hog	Actual YTD	Actual Per Hog
Market Hog Sales	398	\$1.00	1,026	\$1.00
Price per 100 KG	108	0.27	131	0.13
Calculation Per Hog Number	398	1.00	1,026	1.00
Revenue				
Market Hog Sales	47,443	119.20	146,522	142.81
Hog Inventory Adjustment	(10,092)	(25.36)	221,676	216.06
Feeder Pig Transfers	(10,643)	(26.74)	(119,012)	(116.00)
Total Revenue	26,708	67.11	249,186	242.87
Feed Costs	134,037	336.78	238,357	232.32
Operating Expenses				
General Insurance	122	0.31	243	0.24
Contract Facilities	44,839	112.66	87,070	84.86
Veterinary	196	0.49	1,163	1.13
Trucking	2,903	7.29	8,000	7.80
Sales Costs	461	1.16	989	0.96
Total Operating Exp.	48,520	121.91	97,466	95.00
Operating Income	(155,848)	(391.58)	(86,637)	(84.44)
Fixed expenses				
Net Income Before Taxes	(155,848)	(391.58)	(86,637)	(84.44)
Income Taxes	(48,703)	(122.37)	(27,074)	(26.39)
Net Income	(107,146)	(269.21)	(59,563)	(58.05)

Big Sky Farms Inc.
Pelly Division
For the Two Months Ending August 22, 2009

	Actual August	Actual Per Hog	Actual YTD	Actual Per Hog
Market Hog Sales	14,332	\$0.99	25,231	\$0.91
Price per 100 KG	99	0.01	107	0.00
Feeder Pigs Sold	522	0.04	5,495	0.20
Isoweans Sold	0		1,945	0.07
Pigs Weaned	10,957	0.75	22,913	0.83
Calculation Per Hog Number	14,530	1.00	27,747	1.00
Revenue				
Market Hog Sales	1,521,272	104.70	2,866,432	103.31
Feeder Hog Sales	15,688	1.08	117,792	4.25
Isowean Sales	0		27,133	0.98
Hog Inventory Adjustment	(502,366)	(34.57)	(175,494)	(6.32)
Feeder Pig Transfers	(68,940)	(4.74)	(252,686)	(9.11)
Other Revenue	(1,506)	(0.10)	(326)	(0.01)
Total Revenue	964,148	66.35	2,582,850	93.09
Feed Costs	992,044	68.27	1,915,194	69.02
Operating Expenses				
Communications	304	0.02	594	0.02
Power	10,776	0.74	19,413	0.70
Heating Fuel	179	0.01	1,179	0.04
General Insurance	5,566	0.38	11,133	0.40
Manure Removal	7,022	0.48	13,514	0.49
Repairs & Maintenance	4,760	0.33	6,177	0.22
Dead Disposal	872	0.06	1,672	0.06
Contract Services	0		200	0.01
Supplies	4,080	0.28	10,054	0.36
Property Taxes	2,270	0.16	2,324	0.08
Contract Facilities	271,395	18.68	545,013	19.64
Wages	48,441	3.33	105,960	3.82
Employee Benefits	7,256	0.50	16,128	0.58
Travel Meals & Ent	420	0.03	775	0.03
Breeding Herd Costs	40,557	2.79	69,897	2.52
less sale of cull sows	(19,611)	(1.35)	(42,385)	(1.53)
Veterinary	34,493	2.37	46,554	1.68
Herd Health	497	0.03	1,738	0.06
AI Costs	17,185	1.18	33,513	1.21
Herd Health Export Fees	3,459	0.24	4,596	0.17
Trucking	122,067	8.40	209,526	7.55
Sales Costs	11,819	0.81	21,991	0.79
Head Office Services	18,451	1.27	23,441	0.84
Total Operating Exp.	592,259	40.76	1,103,006	39.75
Operating Income	(620,156)	(42.68)	(435,350)	(15.69)
Fixed expenses				
Interest	11,134	0.77	73,808	2.66
Debt Instruments Accretion	8,496	0.58	16,993	0.61
Depreciation & Amortization	54,114	3.72	107,957	3.89
Total Fixed Exp.	73,744	5.08	198,758	7.16
Net Income Before Taxes	(693,900)	(47.76)	(634,108)	(22.85)
Income Taxes	(214,188)	(14.74)	(192,848)	(6.95)
Net Income	(479,711)	(33.01)	(441,260)	(15.90)

Big Sky Farms Inc.
Beaver Plains Breeder Unit
For the Two Months Ending August 22, 2009

	Actual August	Actual Per Hog	Actual YTD	Actual Per Hog
Isoweans Sold	0		1,945	51.00
Pigs Weaned	10,957	(0.92)	22,913	11.78
Calculation Per Hog Number	0		428	0.22
Revenue				
Isoweans Sales	0		27,133	13.95
Hog Inventory Adjustment	8,010	(0.67)	9,594	4.93
Feeder Pig Transfers	197,226	(16.50)	377,100	193.88
Other Revenue	(1,506)	0.13	(326)	(0.17)
Total Revenue	203,730	(17.04)	413,501	212.60
Feed Costs	93,884	(7.85)	225,673	116.03
Operating Expenses				
Communications	304	(0.03)	594	0.31
Power	10,776	(0.90)	19,413	9.98
Heating Fuel	179	(0.01)	1,179	0.61
General Insurance	5,356	(0.45)	10,711	5.51
Manure Removal	7,022	(0.59)	13,514	6.95
Repairs & Maintenance	4,760	(0.40)	6,177	3.18
Dead Disposal	872	(0.07)	1,672	0.86
Contract Services	0		200	0.10
Supplies	4,080	(0.34)	10,054	5.17
Property Taxes	2,270	(0.19)	2,324	1.19
Wages	48,441	(4.05)	105,960	54.48
Employee Benefits	7,256	(0.61)	16,128	8.29
Travel Meals & Ent	420	(0.04)	775	0.40
Breeding Herd Costs	40,557	(3.39)	69,897	35.94
less sale of cull sows	(19,611)	1.64	(42,385)	(21.79)
Veterinary	7,160	(0.60)	19,155	9.85
Herd Health	497	(0.04)	1,738	0.89
AI Costs	17,185	(1.44)	33,513	17.23
Herd Health Export Fees	3,459	(0.29)	4,596	2.36
Trucking	35,306	(2.95)	74,196	38.15
Sales Costs	2,323	(0.19)	4,876	2.51
Head Office Services	14,863	(1.24)	17,606	9.05
Total Operating Exp.	193,476	(16.18)	371,894	191.21
Operating Income	(83,629)	6.99	(184,066)	(94.64)
Fixed expenses				
Interest	11,134	(0.93)	73,808	37.95
Debt Instruments Accretion	8,496	(0.71)	16,993	8.74
Depreciation & Amortization	54,114	(4.53)	107,957	55.50
Total Fixed Exp.	73,744	(6.17)	198,758	102.19
Net Income Before Taxes	(157,373)	13.16	(382,824)	(196.82)
Income Taxes	(46,524)	3.89	(114,322)	(58.78)
Net Income	(110,849)	9.27	(268,501)	(138.05)

Big Sky Farms Inc.
US Contract Units
For the Two Months Ending August 22, 2009

	Actual August	Actual Per Hog	Actual YTD	Actual Per Hog
Market Hog Sales	14,332	\$0.99	25,231	\$0.92
Price per 100 KG	99	0.01	107	0.00
Feeder Pigs Sold	522	0.04	5,495	0.20
Calculation Per Hog Number	14,530	1.00	27,319	1.00
Revenue				
Market Hog Sales	1,521,272	104.70	2,866,432	104.92
Feeder Hog Sales	15,688	1.08	117,792	4.31
Hog Inventory Adjustment	(510,376)	(35.12)	(185,088)	(6.78)
Feeder Pig Transfers	(266,166)	(18.32)	(629,786)	(23.05)
Total Revenue	760,418	52.33	2,169,350	79.41
Feed Costs	898,161	61.81	1,689,522	61.84
Operating Expenses				
General Insurance	211	0.01	421	0.02
Contract Facilities	271,395	18.68	545,013	19.95
Veterinary	27,333	1.88	27,399	1.00
Trucking	86,761	5.97	135,330	4.95
Sales Costs	9,495	0.65	17,115	0.63
Head Office Services	3,588	0.25	5,835	0.21
Total Operating Exp.	398,784	27.44	731,112	26.76
Operating Income	(536,526)	(36.92)	(251,284)	(9.20)
Fixed expenses				
Net Income Before Taxes	(536,526)	(36.92)	(251,284)	(9.20)
Income Taxes	(167,665)	(11.54)	(78,526)	(2.87)
Net Income	(368,862)	(25.39)	(172,758)	(6.32)

Big Sky Farms Inc.
Farrow to Finish Units
For the Two Months Ending August 22, 2009

	Actual August	Actual Per Hog	Actual YTD	Actual Per Hog
Market Hog Sales	6,860	\$0.96	14,599	\$0.94
Price per 100 KG	114	0.02	127	0.01
Breeding Stock Sold	299	0.04	1,011	0.06
Pigs Weaned	18,121	2.53	35,895	2.30
Calculation Per Hog Number	7,159	1.00	15,610	1.00
Revenue				
Market Hog Sales	857,098	119.72	2,001,730	128.23
Hog Sales:Breeding	84,879	11.86	296,809	19.01
Hog Inventory Adjustment	620,798	86.72	757,047	48.50
Feeder Pig Transfers	51,683	7.22	203,225	13.02
Other Revenue	(5,296)	(0.74)	(157)	(0.01)
Total Revenue	1,609,162	224.77	3,258,655	208.75
Feed Costs	783,557	109.45	1,542,038	98.79
Operating Expenses				
Communications	3,908	0.55	7,582	0.49
Power	49,101	6.86	100,587	6.44
Heating Fuel	17,243	2.41	33,254	2.13
General Insurance	30,755	4.30	61,510	3.94
Manure Removal	34,296	4.79	112,308	7.19
Repairs & Maintenance	120,760	16.87	181,102	11.60
Dead Disposal	2,635	0.37	5,041	0.32
Contract Services	2,745	0.38	5,053	0.32
Supplies	22,420	3.13	38,015	2.44
Property Taxes	57,579	8.04	58,132	3.72
Contract Facilities	11,343	1.58	21,555	1.38
Wages	207,351	28.96	456,628	29.25
Employee Benefits	31,760	4.44	67,589	4.33
Travel Meals & Ent	1,620	0.23	5,004	0.32
Breeding Herd Costs	112,513	15.72	239,887	15.37
less sale of cull sows	(52,785)	(7.37)	(114,416)	(7.33)
Veterinary	38,811	5.42	80,912	5.18
Herd Health	4,316	0.60	9,723	0.62
AI Costs	26,549	3.71	48,557	3.11
Herd Health Export Fees	4,598	0.64	6,759	0.43
Trucking	70,251	9.81	162,011	10.38
Sales Costs	6,147	0.86	14,329	0.92
Head Office Services	55,550	7.76	65,803	4.22
Total Operating Exp.	859,465	120.05	1,666,925	106.79
Operating Income	(33,860)	(4.73)	49,692	3.18
Fixed expenses				
Interest	41,487	5.80	142,490	9.13
Depreciation & Amortization	144,489	20.18	292,642	18.75
Total Fixed Exp.	185,976	25.98	435,132	27.88
Net Income Before Taxes	(219,836)	(30.71)	(385,441)	(24.69)
Income Taxes	(68,699)	(9.60)	(120,450)	(7.72)
Net Income	(151,137)	(21.11)	(264,990)	(16.98)

Big Sky Farms Inc.
22-Aug-09

Quick Cash Position

Cash on hand	\$ (5,069,175)
Drawn line of Credit	(22,000,000)
Available Line of Credit	<u>26,500,000</u>
Cash Available	<u>(569,175)</u>
Accounts Receivable	3,771,263
Accounts Payable , Other Liabilities and LCT	(16,289,728)
Funds available from long term debt	<u>-</u>
Quick Cash Balance	<u>\$ (13,087,640)</u>

Current Ratio (modified)

Current Assets per financial statements	\$36,002,840
Breeding Stock	<u>10,133,029</u>
	<u>\$46,135,869</u>
Current liabilities per financial statements	\$92,542,272
Less reclassified long term debt	(31,733,074)
Less accrued interest on subordinated debt	(2,556,376)
Less current portion of subordinated debt	<u>(6,349,999)</u>
	<u>\$51,902,823</u>

Current Ratio	Covenant	1 to 1	0.89
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Senior Debt Ratio

EBITDA	Jul & Aug 2009	(428,749)	
	Sept 2008	(773,836)	
	Oct to Dec 2008	(2,691,617)	
	Jan to Mar 2009	3,692,075	
	Apr to Jun 2009	<u>(4,549,565)</u>	(4,751,692)

Senior Debt:	Line of Credit	27,069,175
	Current Portion of Senior Debt	7,104,900
	Current Portion of Capital leases	1,444,838
	Long-Term Senior Debt	35,966,970
	Capital Leases	<u>7,684,944</u>
		<u>79,270,827</u>

Senior Debt Ratio	Covenant	not required	(16.68)
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Debt Service Ratio (modified)

EBITDA - Last Four Quarters as above	<u>(4,751,692)</u>
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Current Portion of Senior Debt			n/a
Interest:	Jul & Aug 2009	826,727	
	Sept 2008	481,742	
	Oct to Dec 2008	1,365,646	
	Jan to Mar 2009	1,508,916	
	Apr to Jun 2009	<u>2,642,594</u>	6,825,625
Capital Lease Payments			
	Jul & Aug 2009	50,114	
	Oct to Dec 2008	0	
	Jan to Mar 2009	0	
	Apr to Jun 2009	<u>0</u>	50,114
			<u>6,875,739</u>

Debt Service Ratio	Covenant	1:1	(0.69)
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Big Sky Farms Inc.
Long-Term Debt
As at Aug 22, 2009

	<u>Principal Outstanding</u>	<u>Current Portion</u>	<u>Balance</u>	<u>Accrued Interest</u>	<u>Accrued Interest</u>
A2, LOC				321,812	
Syndicated loan - Credit B	\$ 31,103,074	\$ 5,520,000	\$ 25,583,074	403,879	
Syndicated loan - Credit C	7,350,000	1,200,000	\$ 6,150,000	94,703	
Sask Government Hog Loan 2008	4,618,796	384,900	4,233,896	-	
Senior debt	43,071,870	7,104,900	35,966,970		
Scotiabank debt reclassified as current		31,733,074	(31,733,074)		
Senior debt reclassified		38,837,974	4,233,896		
 Golden Opportunities Fund Inc.	1,500,000	600,000	900,000	203,428	182,637
Farm Credit Canada Ventures Inc.	1,500,000	600,000	900,000	187,503	181,824
Shareholder Loans	3,403,999	3,403,999	-	902,701	
Shareholder Loans	1,439,500	1,439,500	-	203,589	
Promissory Note - Florian Possberg	306,500	306,500	-	-	
Subordinated debt	8,149,999	6,349,999	1,800,000		
 Prairie Hog Production Ltd Partnership - Nurse	6,016,863	1,041,052	4,975,811		
Prairie Hog Production Ltd Partnership - Finish	3,112,919	403,786	2,709,133		
Capital Lease Obligation	9,129,782	1,444,838	7,684,944	238,761	
	<u>\$ 60,351,651</u>	<u>\$ 46,632,811</u>	<u>\$ 13,718,840</u>	<u>2,556,376</u>	<u>364,461</u>



THE BOARD OF DIRECTORS

Big Sky Farms Inc.

I HEREBY CERTIFY THAT as of September 3, 2009 all funds required to be paid to the following are paid in full or in accordance with negotiated payment terms.

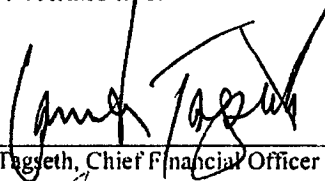
1. Canada Customs and Revenue Agency for payroll deductions and corporate tax under the provisions of *The Income Tax Act*; and
2. Minister of Finance under the provisions of *The Workers Compensation Act*.

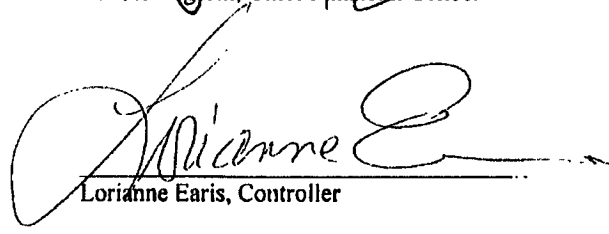
I further certify that all wages due to all employees have been paid in full.

The unpaid vacation pay due to employees, as at August 22, 2009 was \$761,955.10.

DATED AT the City of Humboldt, in the Province of Saskatchewan, this 5th day of September, 2009.

BIG SKY FARMS INC.


Canute Tagseth, Chief Financial Officer


Lorianne Earis, Controller