ASSET PURCHASE AGREEMENT

Dated for reference the 14th day of January, A.D. 2003.

BETWEEN:

BIG SKY FARMS INC., a body corporate pursuant to the laws of the Province of Saskatchewan, with office in Humboldt, Saskatchewan

("Big Sky")

OF THE FIRST PART

\- and -

BIG SKY FINISHERS (NO. 1) INC., a body corporate pursuant to the laws of the Province of Saskatchewan, with office in Saskatoon, Saskatchewan

(the "Purchaser")

OF THE SECOND PART

THIS AGREEMENT WITNESSES that Big Sky shall sell and transfer to the Purchaser and the Purchaser shall purchase from Big Sky the Purchased Assets (as hereafter defined) on and subject to the terms and conditions set forth in this Agreement.

ARTICLE 1.0 - INTERPRETATION

1.1 Defined terms

For the purposes of this Agreement, unless the context otherwise requires, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

"Agreement" means this agreement and all documents, instruments and certificates delivered by a Party pursuant to the terms hereof and all amendments made by written agreement of the Parties; and the terms **"hereof"**, **"hereunder"** and similar expressions refer to this agreement, and not to any particular Article, Section or other portion of the Agreement and references herein to a particular Article, Section, subsection or paragraph are to Articles, Sections, subsections or paragraphs of this agreement;

"Applicable Laws" means, in respect of any person, property, transaction or event, all applicable laws, statutes, rules, by-laws and regulations, and, for greater certainty, includes all orders, directives and decisions rendered by, and all policies, instuctions and guidelines

THIS IS EXHIBIT "F" REFERRED TO IN THE AFFIDAVIT OF JOHN BECKTON SWORN BEFORE ME AT THE CITY OF SASKATOON, SASKATCHEWAN, THIS 18th DAY OF FEBRUARY, 2010.

A COMMISSIONER FOR OATHS IN AND FOR THE PROVINCE OF SASKATCHEWAN ~~MY COMMISSION EXPIRES~~
OR BEING A SOLICITOR / YM

of any Governmental Authority and any obligations or requirements arising under common law, legally enforceable, in each case, against or with respect to a person or the Purchased Assets;

"**Assumed Employees**" has the meaning given such term in subsection 5.2(h) hereof;

"**Barn #1**", "**Barn #2**" and "**Barn #3**", respectively, mean:

(a) the bare lands legally described, respectively, as follows:

(i) Surface Parcel #108475454
Reference Land Description: SE Sec 18 Twp 08 Rge 22 W2
Extension 0
As described on Certificate of Title 00SE21467
("**Barn #1**");

(ii) Surface Parcel #108475230
Reference Land Description: NW Sec 11 Twp 08 Rge 22 W2
Extension 1
As described on Certificate of Title 00SE21468

and Surface Parcel #108461000
Reference Land Description: NW Sec 11 Twp 08 Rge 22 W2
Extension 2
As described on Certificate of Title 00SE21468
("**Barn #2**");

(iii) Surface Parcel #143031631
Reference Land Description: SE Sec 12 Twp 33 Rge 07 W2
Extension 0
As described on Certificate of Title 00Y07197
("**Barn #3**")

(the "**Lands**");and

(b) all buildings located on each of the said Lands, respectively, as of the respective Closing Dates for the purchase of such Barns hereunder, including, in particular, the 12,000 hog space finishing barn on each of the Lands (for a total of three finishing barns on the Lands) and all other buildings, waste storage lagoons and other improvements located on or about such Lands including: all hog slats; hog pens and penning materials and structures; fencing; feeding and/or watering systems and controls; plumbing equipment, systems and controls; heating, ventilating and/or air-conditioning equipment, systems and controls; scales; power washers, washers and dryers; and all other fixtures now located on or affixed to the Lands or any of the foregoing buildings or improvements (the "**Buildings**"); and

(c) all equipment located in, on or about the said Lands or Buildings and used in the Business as of the respective Closing Dates for the purchase of the respective Barns hereunder (the "**Equipment**"),

and "**Barn**" means any one of such Barns and the Lands, Buildings and Equipment included therewith, and "**Purchased Assets**" means for each of the three Transactions hereunder, the Barn that is the subject of such Transaction, and, if and to the extent there is a subsisting Crop Lease in effect with respect to such Barn at the Closing Date for the purchase of such Barn hereunder, all right, title and benefit of Big Sky as landlord thereunder, and provided, for greater certainty, none of the Barns nor the Purchased Assets shall include any hogs, feed, veterinary supplies or medications or any other goods or items, whether located in or on the respective Barns or otherwise, that, in accordance with generally accepted accounting principles, form part of Big Sky's inventory;

"**Business**" means:

(a) the carrying on, on or in the respective Barns, of Hog finishing operations by Big Sky prior to the Closing Date, and after the Closing Date the carrying on, on or in the respective Barns, of hog finishing operations by the Purchaser consisting of the feeding, raising and caring for of "feeder" hogs owned by Big Sky in accordance with the provisions of the Contract Finishing Agreement (the "**Hog Operations**"); and

(b) (i) the growing and harvesting of agricultural crops by Big Sky prior to the Closing Date or by the Purchaser after the Closing Date or, pursuant to a Crop Lease, by third parties; and/or

(ii) the disposal of manure produced by the Hog Operations,

on those arable portions of the Lands that are not used or required for the Hog Operations;

"**Business Day**" means any day except Saturday, Sunday or any statutory holiday in the Province of Saskatchewan;

"**Closing**" means, with respect to each of the Transactions, the completion of such Transaction by the delivery and exchange of documents and monies as contemplated by Article 5.0 hereof;

"**Closing Date**" means, with respect to a Transaction, the "First Closing Date", "Second Closing Date" or "Third Closing Date", as applicable, as those terms are defined in Section 5.1 hereof;

"**Contract**" means any agreement of any nature or kind whatsoever written or verbal;

"**Crop Lease**" means any lease, licence, tenancy agreement or similar agreement or arrangement, whether written or verbal, between either Big Sky or the Purchaser and any third party permitting arable portions of the Lands that are not used or required for Hog Operations to be used by such third party for the growing and harvesting of agricultural crops;

"**Encumbrance**" means any encumbrance, lien, charge, hypothec, pledge, mortgage, title retention agreement, security interest of any nature, adverse claim, exception, reservation, easement, right of occupation, any matter capable of registration against title, option, right of pre-emption, privilege or any Contract to create any of the foregoing;

"**Environmental Laws**" means all Applicable Laws relating to environmental matters, including the protection of the environment, occupational health and safety matters or the manufacture, processing, distribution, use, treatment, storage, disposal (including but not limited to storage and disposal of manure), recycling, packaging, transport, handling, containment, clean-up or other remediation or corrective action of Hazardous Substances;

"**Governmental Authority**" means any government, regulatory authority, agency, ministry, tribunal, department, commission, board, minister, director, governor, municipality or court, or other law, regulation or rule-making entity;

"**Hazardous Substance**" means, as defined by Environmental Laws, any pollutant, contaminant, chemical, hazardous material, waste (including, without limitation, subject waste, liquid industrial waste, other industrial waste, toxic waste or hazardous waste, asbestos or any substance containing asbestos, the group of organic compounds known as polychlorinated biphenyls, lead, hydrocarbons, cadmium, flammable explosives, radioactive materials, chemicals known to cause cancer or reproductive toxicity, pollutants, effluents, contaminants, emissions or related materials and any items included in the definition of hazardous or toxic waste, materials or substances under any Environmental Laws);

"**Material Contract**" means any one of the following agreements made or to be made between the Parties and "**Material Contracts**" means all of the following agreements collectively:

(a) this Asset Purchase Agreement; and

(b) the:

(i) contract finishing agreement (the "**Contract Finishing Agreement**");

(ii) indemnity agreement (the "**Indemnity Agreement**"); and

(iii) option agreement (the "**Option Agreement**"),

described in subsection 5.2(b) hereof;

"**Mortgage(s)**" has the meaning given such term in Section 3.5;

"**Permitted Encumbrances**" means, with respect to each Barn:

(a) servitudes, easements, restrictions, rights-of-way and other similar rights, provided the same are not of such nature as to materially adversely affect the use of the Barn in the operation of the Business;

(b) liens for taxes either not due and payable or due but for which notice of assessment has not been given;

(c) undetermined or inchoate liens, charges and privileges incidental to current construction or current operations and/or Encumbrances of any nature whatsoever claimed or held by any Governmental Authority that have not at the time been filed or registered against title or that relate to obligations that are not due or delinquent;

(d) security given in the ordinary course of the Business to any utility supplier or Governmental Authority in connection with the operation of such Business, other than security for borrowed money;

(e) the reservations in any original grants from the Crown or interest therein and statutory exceptions to title that do not materially detract from the value of the Barn or materially impair its use in the Business;

(f) the interest of the respective parties in the Barn pursuant to the Material Contracts, including, for greater certainty but not to limit the generality of the foregoing, the interests of any lender of Big Sky claiming an interest in the Barn pursuant to an assignment of any Material Contract as security for any obligations now or hereafter owing by Big Sky to such lenders;

(g) the Mortgage(s);

(h) any Crop Leases subsisting at the Closing Date for the purchase of the Barn hereunder; and

(i) any other Encumbrances expressly permitted by this Agreement or otherwise mutually agreed upon by Big Sky and the Purchaser;

"**Parties**" means Big Sky and the Purchaser and their respective successors and permitted assigns;

"**Prospectus**" means the (final) prospectus of the Purchaser relating to the offering and distribution of a maximum of 2,700,000 first preferred shares of the Purchaser (together with any amendments thereto for which a receipt is issued by the Saskatchewan Securities Commission) and, unless the context indicates otherwise, when used in this Agreement the terms "**Agency Agreement**", "**Agent**", "**Maximum Offering**", "**Minimum Offering**", "**Offering**", "**Shares**", "**Tranche**", "**Tranche #1**", "**Tranche #2**", "**Tranche #3**" and all other terms used but not otherwise defined herein shall have the meaning given such terms in the Prospectus;

"**Senior Credit Agreement**" means the Amended and Restated Credit Agreement made as of June 26, 2002, as amended by a First Amending Agreement and Consent made as of September 16, 2002, between Big Sky, Drycast Systems Inc. and the Senior Lenders, and as further amended by a memorandum to Big Sky dated November 8, 2002 and by a Second Amending Agreement made as of 13 December, 2002, pertaining to certain credit facilities provided by such Senior Lenders to Big Sky, as the same may from time to time be further amended, supplemented, restated or replaced;

"**Senior Lenders**" means the Bank of Nova Scotia, as Administrative Agent under the Senior Credit Agreement and the Lenders as defined in the Senior Credit Agreement and any future lenders to Big Sky, and agents thereof, should the Senior Credit Agreement be replaced at any time;

"**Services**" has the meaning given such term in Section 3.1 hereof;

"**Transactions**" means the three separate transactions of purchase and sale hereunder, including the purchase and sale of Barn #1, the purchase and sale of Barn #2 and the purchase and sale of Barn #3, respectively, and **"Transaction"** means any one of such Transactions as the contexts requires or permits.

1.2 Currency

Unless otherwise indicated, all dollar amounts in this Agreement are expressed in Canadian funds.

1.3 Sections and Headings

The division of this Agreement into Articles, Sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the interpretation of this Agreement.

1.4 Number, Gender and Persons

In this Agreement, words importing the singular number only shall include the plural and vice versa, words importing gender shall include all genders and words importing persons shall include individuals, corporations, partnerships, associations, trusts, unincorporated organizations, governmental bodies and other legal or business entities of any kind whatsoever.

1.5 Governing Law

This Agreement shall be construed, interpreted and enforced in accordance with, and the respective rights and obligations of the Parties shall be governed by, the laws of the Province of Saskatchewan and the federal laws of Canada applicable therein, and each Party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of such Province and all courts competent to hear appeals therefrom.

1.6 Entire Agreement

This Asset Purchase Agreement, together with the other Material Contracts, contains the entire agreement between the Parties related to the subject matter hereof and it is admitted so that they shall be forever estopped from asserting to the contrary and, except as is or shall be contained in another Material Contract, there is no condition precedent or warranty of any nature whatsoever and no collateral warranty or covenant whatsoever to the within Agreement.

1.7 Severability

The provisions of this Agreement are to be construed as covenants and agreements as though the words importing such covenants and agreements were used in each separate Article, Section and subsection hereof. Should any provision or provisions of this Agreement be illegal or unenforceable, it or they shall be considered separate and severable from the rest of this Agreement, and the remaining provisions shall remain in force and be binding upon the Parties as though the said provision or provisions had never been included.

1.8 Statutes

Except where otherwise expressly set forth herein, any reference herein to a statute includes a reference to such statute and its regulations, with all amendments in force from time to time, and to any statute or regulation that may be passed which has the effect of supplementing or superseding the statute or regulation so referred to.

1.9 Successors and Assigns

This Agreement shall enure to the benefit of and shall be binding on and enforceable by the Parties and, where the context so permits, their respective successors and assigns, provided that neither Party shall assign any of its rights or obligations hereunder without the prior written consent of the other Party, and further provided that Big Sky may assign this Agreement in whole or in part to the Senior Lenders as collateral security for its obligations under the Senior Credit Agreement.

1.10 Schedules

The following Schedules are attached to and form part of this Agreement:

Schedule "A" - Allocation of Purchase Price
Schedule "B" - Form of Contract Finishing Agreement
Schedule "C" - Form of Indemnity
Schedule "D" - Form of Option Agreement

ARTICLE 2.0 - TRANSACTIONS

2.1 Agreement of Purchase and Sale

Big Sky agrees to sell to the Purchaser and the Purchaser agrees to purchase from Big Sky, on and subject to the terms hereof, in three separate Transactions, Barn #1, Barn #2 and Barn #3, respectively, at and for a price per Barn (subject to adjustments as described in Sections 2.3 and 2.4 hereof) of $3,550,000 (the "**Purchase Price**") for an aggregate Purchase Price if all three Barns are purchased of $10,650,000.

2.2 Allocation of Purchase Price

The Purchase Price for each Barn shall be allocated between the Lands, Land Services, Buildings and Equipment comprising such Barn in the amounts described in Schedule "A".

2.3 Interest

Any portion of the Purchase Price that is not paid to Big Sky by the applicable Closing Date shall, until paid, bear interest against the Purchaser and in favour of Big Sky at the rate of interest under the Mortgage, but in lieu of the Purchaser paying any such interest to Big Sky, the amount of interest so calculated and payable may be setoff against monies payable by Big Sky to the Purchaser under the Contract Finishing Agreement as such fees and monies become payable thereunder.

2.4 Adjustments

All revenues and expenses relative to the respective Barns and their operation, including property taxes, utilities, insurance, wages and/or salaries and associated payroll costs of Assumed Employees and other items that are normally the subject of adjustment in commercial real estate transactions (other than interest which shall be dealt with as set forth in Section 2.3) and/or that are or shall become the responsibility of the Purchaser pursuant to the Contract Finishing Agreement shall be the responsibility of Big Sky prior to the Closing Date of the respective Transactions and shall be the responsibility of the Purchaser as and from such Closing Date and all such items shall be adjusted for as of the Closing Date with the net amount of such adjustments to be added to or deducted from the Purchase Price for each of the respective Barns.

ARTICLE 3.0 - SERVICES

3.1 General

Big Sky has or shall perform the services described in this Article 3.0 (the "**Services**") for the benefit of the Purchaser, all of which Services shall be performed and/or provided at the expense of Big Sky.

3.2 Organizational Services

Big Sky shall:

(a) prepare and where applicable file with appropriate regulatory authorities, or cause to be so prepared and filed, articles of incorporation, notice of directors, notice of registered office, bylaws, minutes of directors and shareholders organizational meetings, financial statements and records and all other documents, forms and filings necessary or reasonably desirable to form, qualify and, pending the completion or discontinuance of the Offering, continue the Purchaser as a validly incorporated and subsisting corporation pursuant to *The Business Corporations Act* (Saskatchewan);

(b) pay, or reimburse the Purchaser, for all fees, honorariums and expenses of the Purchaser's directors and officers pending the completion or discontinuance of the Offering; and

(c) prepare the Material Contracts and pay all costs associated with the Closing of the Transactions hereunder, including without limitation, paying all land titles costs and fees for transferring the Barns to and registering the Barns in the name of the Purchaser.

3.3 The Offering

Big Sky shall assist the Purchaser in preparing the preliminary prospectus and the Prospectus (including any amendments thereto) and shall pay all costs associated with the Offering, including but not limited to, legal and accounting costs relative to the preparation of the preliminary prospectus and Prospectus, printing costs, regulatory filing fees and all other expenses of whatsoever kind and nature relating to the Offering.

3.4 Agent's Fees

Without limiting the generality of Section 3.3 hereof, Big Sky shall pay all fees, commissions and applicable expenses of the Agent for the Offering in accordance with the Agency Agreement.

3.5 Mortgage Financing

Big Sky shall assist the Purchaser in arranging mortgage financing with one or more Canadian chartered banks, credit unions, governmental agencies or other lending institutions (collectively the "**Mortgagee**") in a principal amount for each Barn purchased by the Purchaser hereunder of not less than $2,650,000 (for an aggregate of $7,950,000 if all three Barns are purchased) (the "**Mortgage Financing**") which Mortgage Financing shall:

(a) be repayable, together with interest, by the Purchaser over an amortization period of approximately 15 years;

(b) be secured by a first mortgage or mortgages of the Barns to be granted by the Purchaser to the Mortgagee, together with such additional security as may be required by the Mortgagee and which additional security may include a first mortgage and/or first charge security interest in all other present and after-acquired real and personal property of the Purchaser including, without limitation, the assignment by the Purchaser of some or all of its interests and rights under the or any of the Material Contracts (all of the foregoing being referred to as the "**Mortgage**"); and

(c) be used by the Purchaser, together with the proceeds of the Offering, to pay the Purchase Price for each of the Barns that the Purchaser acquires pursuant to this Agreement.

In connection with the foregoing, Big Sky shall pay all costs associated with the preparation of the Mortgage and all necessary related documentation and shall pay to the Mortgagee and, if applicable, any mortgage insurers, appraisers, brokers and others all fees required by them with respect to the placement of such Mortgage Financing including application and/or standby and/or placement and/or commitment and/or processing and/or finder's fees, and shall additionally pay all legal costs associated with the preparation of the Mortgage and the registration of such Mortgage against title to the Barns in the Saskatchewan Land Registry and in such other public offices for the registration of security as the Mortgagee or its solicitors may require or deem necessary.

ARTICLE 4.0 - REPRESENTATIONS AND WARRANTIES

Each of Big Sky and the Purchaser represent and warrant to the other as set forth in Sections 4.1 to 4.5 inclusive hereof, and Big Sky additionally represents and warrants to the Purchaser as set forth in Sections 4.6 to 4.12 hereof, and each acknowledges and confirms that the other is relying on such representations and warranties in connection with the purchase and sale of the Purchased Assets hereunder:

4.1 Organization

It is duly incorporated and organized and validly subsisting as a corporation under the laws of the Province of Saskatchewan and it has the power to own or lease its property, to carry on the business now being conducted by it and/or to be conducted by it as contemplated by the Material Contracts, and to enter into this Agreement and perform its obligations hereunder.

4.2 Authorization

This Agreement has been duly authorized, executed and delivered by the Party and is a legal, valid and binding obligation of such Party, enforceable against such Party by the other Party in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

4.3 No Violation

The execution and delivery of this Agreement by the respective Parties and the Closing of the respective Transactions hereunder will not result in either:

(a) the breach or violation of any of the provisions of, or constitute a default under, or conflict with or cause the acceleration of any obligations of such Party under:

  (i) any Contract to which such Party is a party or by which it or any of its properties are bound;

(ii) any provision of the articles, bylaws or other constating documents of the Party or any resolution of the board of directors or shareholders of such Party;

(iii) any judgment, decree, order or award of any court, governmental body or arbitrator having jurisdiction over the Party or any of the Purchased Assets;

(iv) any licence, permit, approval, consent or authorization held by such Party or necessary to the ownership and/or operation of the Purchased Assets by either Big Sky or the Purchaser as contemplated by the Material Contracts; or

(v) any Applicable Law; or

(b) the creation or imposition of any Encumbrance on any of the Purchased Assets, other than Permitted Encumbrances.

4.4 Consents and Approval

There is no requirement for the Party to make any filings with, give any notice to or obtain any licence, permit, certificate, registration, authorization, consent or approval of any Governmental Authority as a condition to the lawful Closing of the respective Transactions contemplated by this Agreement and there is no requirement under any Contract to which such Party is a party or by which it or the Purchased Assets are bound to give notice to, or to obtain the consent or approval of, any party to such Contract, except for such consents and approvals as shall have been obtained on or prior to the applicable Closing Date and, in particular, but without limiting the generality of the foregoing, except for such consents and approvals as shall be obtained as conditions of Closing hereunder as contemplated by Section 5.2 hereof.

4.5 Residency

It is a resident of Canada.

4.6 No Other Agreements to Purchase

No person other than the Purchaser has any written or oral agreement or option or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option for the purchase or acquisition from Big Sky of any of the Purchased Assets.

4.7 Status of Business

The Business is the only business operation carried on by Big Sky on or in respect of the Purchased Assets and the Business, together with the use of the Purchased Assets in connection with the Business, is being carried on by Big Sky in compliance with all Applicable Laws.

4.8 Title to Purchased Assets

Big Sky is the registered owner of an estate in fee simple in all real property comprised in the Purchased Assets and is the beneficial owner of all Purchased Assets, with a good and marketable title thereto, and having the exclusive right to possess, use and occupy the Purchased Assets, free and clear of all Encumbrances other than Permitted Encumbrances.

4.9 Status of Buildings and Equipment

The Buildings and Equipment included in the Purchased Assets have been constructed and/or installed and are being used and operated in compliance with all Applicable Laws, and all material structural components of the Buildings, including all roofs, roof trusses, load bearing walls, concrete flooring and foundations are free of any material design defect and are reasonably fit for the intended purpose for which such Buildings are to be used by the Purchaser under, and for the Term contemplated by, the Contract Finishing Agreement.

4.10 Environmental

To the best of the knowledge of Big Sky, after reasonable inquiry:

(a) the Business and the Purchased Assets have been and are in compliance in all material respects with all Environmental Laws including, without limitation, all requirements of *The Agricultural Operations Act* (Saskatchewan) relating to intensive livestock operations;

(b) Big Sky has not received any notice of, nor been prosecuted for any offence alleging, non-compliance with any Environmental Laws relating to the Business or Purchased Assets and has not settled any such allegation of non-compliance short of prosecution;

(c) Big Sky has not received any notice that it is potentially responsible for any clean-up or corrective action relative to any of the Purchased Assets or to the Business carried on with or in respect of such Purchased Assets.

4.11 Property Taxes

All municipal property taxes in respect of the Barns have been paid in full, other than property taxes for the current year which are accruing but are not as at the date hereof and shall not as at the respective Closing Dates be due.

4.12 Conduct of Business

Until the respective Closing Dates or earlier termination of this Agreement, Big Sky shall continue to own the respective Barns and operate thereon the Business in the ordinary and normal course consistent with past practises and/or as may be otherwise permitted or required pursuant to this Agreement.

4.13 Survival of Representations, Warranties, Covenants and Agreements

To the extent that they have not been fully performed at or prior to the applicable Closing Date, the representations, warranties, covenants and agreements of each of the parties hereto contained in this Agreement shall continue for so long as the Contract Finishing Agreement remains in effect and for a period of two years following the termination of the Contract Finishing Agreement, provided that the representations and warranties of Big Sky in Sections 4.6 and 4.8 shall survive indefinitely.

ARTICLE 5.0 - CLOSING

5.1 Timing, Sequence and Dates of Closing

The parties acknowledge and agree that the three Transactions hereunder may Close at different times and, subject to Section 5.2, shall Close, in sequence as follows:

(a) the Barn #1 Transaction shall Close at the time and on the date of closing of Tranche #1 of the Offering (the "**First Closing Date**") but the Closing of the Barn #1 Transaction shall and shall be deemed to have occurred immediately prior to the closing of Tranche #1 of the Offering;

(b) the Barn #2 Transaction shall Close at the time, on the date and concurrently with the closing of Tranche #2 of the Offering (the '**Second Closing Date**"); and

(c) the Barn #3 Transaction shall Close at the time, on the date and concurrently with the closing of Tranche #3 of the Offering (the "**Third Closing Date**").

5.2 Conditions of Closing

The Closing of each Transaction hereunder shall be subject to each and every of the Conditions of Closing as described in the Prospectus applicable to the corresponding Tranche of the Offering having been satisfied, and to such Tranche having closed through the receipt and acceptance by the Purchaser of fully paid subscriptions for 90,000 Shares, at $10.00 per share, yielding gross proceeds to the Purchaser from that Tranche of $900,000, and to the following conditions (which include but are not limited to the Conditions of Closing described in the Prospectus):

(a) **Mortgage Financing** - An offer of credit acceptable to Big Sky and the Purchaser for Mortgage Financing in the principal amount of $2,650,000 for the Barn that is the subject of the Transaction, and otherwise on substantially the terms described herein and in the

Prospectus, shall have been received by and/or for the Purchaser and the Purchaser, and if applicable Big Sky, shall have executed all Mortgages and other documentation and shall have done or caused to be done such further acts and things as may be required pursuant to such offer of credit to allow for the advance of the Mortgage Financing to be made thereunder, subject only to registration of the Mortgage in the Saskatchewan Land Registry and the Purchaser and, if applicable, Big Sky and the Mortgagee shall have executed such additional documents and agreements as may be required by the terms of any other Material Contract;

(b) **Material Contracts** - Big Sky and the Purchaser shall have executed and delivered the following:

(i) a Contract Finishing Agreement in respect of the Purchased Assets pursuant to which the Purchaser agrees to finish hogs in the Purchased Assets on behalf of Big Sky;

(ii) an Indemnity Agreement pursuant to which Big Sky will indemnify the Purchaser against certain losses or claims that may be asserted against the Purchaser in respect of environmental matters pertaining to the Purchased Assets; and

(iii) an Option Agreement between Big Sky and the Purchaser providing for the repurchase and sale of the Purchased Assets by Big Sky from the Purchaser in certain circumstances as more particularly described therein,

in substantially the forms attached hereto as Schedules "B", "C" and "D", respectively, with such alterations or amendments thereto as may be mutually agreed upon by the Parties;

(c) **Consent of Senior Lenders** - The Senior Lenders shall have consented to the Transactions contemplated hereby and by the Material Contracts and shall have discharged or agreed to discharge the particular Barn that is the subject of the Transaction from the security granted under or in connection with the Senior Credit Agreement, all on terms satisfactory to both Big Sky and the Purchaser acting reasonably, and each of Big Sky, the Purchaser and the Mortgagee shall have executed and delivered all such documents and agreements as may be required by the Senior Lenders as a condition to such consent;

(d) **Representations, Warranties, Covenants and Agreements of Big Sky** - The representations and warranties of Big Sky contained in this Agreement shall be true and correct in all respects at the Closing Date with the same force and effect as if such representations and warranties were made at and as of the Closing Date and all terms, covenants and conditions of this Agreement to be complied with or performed by Big Sky at or before the Closing Date shall have been complied with or performed;

(e) **Big Sky's Closing Deliveries** - Big Sky shall have executed and delivered, or made arrangements satisfactory to the Purchaser for the execution and delivery of, the closing documents referred to in subsection 5.3(a) hereof;

(f) **Representations, Warranties, Covenants and Agreements of the Purchaser** - The representations and warranties of the Purchaser contained in this Agreement shall be true and correct in all respects at the Closing Date with the same force and effect as if such representations and warranties were made at and as of the Closing Date and all terms, covenants and conditions of this Agreement to be complied with or performed by the Purchaser at or before the Closing Date shall have been complied with or performed;

(g) **Purchaser's Closing Deliveries** - The Purchaser shall have executed and/or delivered, or made arrangements satisfactory to Big Sky for the execution and/or delivery of, the closing documents and for the payment of the Purchase Price as contemplated by subsection 5.3(b) hereof;

(h) **Assumed Employees** - Prior to the First Closing Date, Big Sky shall provide to the Purchaser a list of the names of six full-time employees of Big Sky who at the First Closing Date are or will be employed in Barns #1, #2 and #3, respectively (the "**Assumed Employees**"), specifying their respective length of service, age, title and rate of salary, wages or other compensation together with particulars as to any other benefits applicable to such employees and any other information that is or reasonably may be material to their employment. Unless otherwise agreed by Big Sky and the Purchaser with respect to such Assumed Employees, Big Sky shall terminate their employment with Big Sky effective as of the First Closing Date and the Purchaser shall offer employment to all such employees effective as of the First Closing Date on terms and conditions which, subject to the Contract Finishing Agreement, are substantially the same as the terms and conditions applicable to their employment by Big Sky as of the First Closing Date. Big Sky shall be responsible for all wages and/or salaries and associated payroll costs of Assumed Employees up to the First Closing Date and the Purchaser shall be responsible for such wages and/or salaries and payroll costs from and after the First Closing Date. Additionally: (i) Big Sky shall be responsible for all costs associated with terminating the Assumed Employees and, in the event any such Assumed Employees do not accept employment with the Purchaser, Big Sky shall indemnify and save harmless the Purchaser in respect of any such costs of termination; and (ii) in the event that any Assumed Employees' employment with the Purchaser is terminated by the Purchaser within one year of the First Closing Date, Big Sky will indemnify the Purchaser against claims made against the Purchaser by or on behalf of such terminated employee for wrongful dismissal to the extent, if any, that the claim for damages is based on the difference, if any, between the reasonable notice that the Purchaser would be required to give such terminated employee had his or her employment not commenced until the First Closing Date and the reasonable notice that may be required to be given based on such period and any prior period during which such terminated employee was employed by Big Sky;

(i) **Closing of Barn #2** - At or prior to the Closing of the Transaction of purchase and sale of Barn #2 all conditions of closing applicable to the purchase and sale of Barn #1 shall have been satisfied; and

(j) **Closing of Barn #3** - At or prior to the Closing of the Transaction of purchase and sale of Barn #3 all conditions of closing applicable to the purchase and sale of both Barn #1 and Barn #2 shall have been satisfied.

The condition that the applicable Tranche of the Offering be closed and the conditions described in subsections 5.2(a), (b), (c), (h), (i) and (j) are for the mutual benefit of Big Sky and the Purchaser and if such conditions are not performed at or prior to the applicable Closing Date, either party may terminate this Agreement. The conditions described in subsections 5.2(d) and (e) are for the exclusive benefit of the Purchaser and may be waived by the Purchaser, but if such conditions are not performed by Big Sky, or waived by the Purchaser, at or prior to the applicable Closing Date, the Purchaser may terminate this Agreement. The conditions described in subsections 5.2(f) and (g) are for the exclusive benefit of Big Sky and may be waived by Big Sky, but if such conditions are not performed by the Purchaser, or waived by Big Sky, at or prior to the applicable Closing Date, Big Sky may terminate this Agreement. For greater certainty, where a Transaction has closed in accordance with this Agreement and a subsequent Transaction fails to close as a result of the non-performance (or non-waiver) of any of the aforesaid Conditions of Closing, the failure to Close such subsequent Transaction shall not affect the validity of the previous Transaction and this Agreement shall remain in full force and effect with respect to such previous Transaction.

5.3 Closing Deliveries and Logistics

On or prior to the Closing Date for each Transaction:

(a) Big Sky shall deliver to the Purchaser:

(i) a Statement of Adjustments setting forth all adjustments to the Barn Price as contemplated by Section 2.4 hereof;

(ii) all original copies of all Material Contracts executed by Big Sky (other than Material Contracts executed and delivered at a previous Closing Date);

(iii) a transfer of the Barn and, if applicable, discharges and/or postponements (the "**Applicable Discharges**") (or undertakings of Big Sky and/or its solicitors to obtain and provide and/or register such Applicable Discharges) of all Encumbrances registered against title to the Barn, in form sufficient to cause title to the Barn to issue in the name of the Purchaser free and clear of all encumbrances save and except Permitted Encumbrances;

(iv) if applicable, a Bill of Sale specifically identifying the Equipment included in the Purchased Assets that are the subject of that Transaction and transferring title to such Equipment to the Purchaser;

(v) if applicable, an assignment by Big Sky and assumption by the Purchaser of the Crop Lease; and

(vi) such other documents and agreements as may be required in connection with or as a consequence of, or to evidence the satisfaction of, any of the conditions of Closing enumerated in subsection 5.2(a) to 5.2(j) inclusive;

(b) the Purchaser shall deliver to Big Sky:

(i) the Purchase Price, plus or minus adjustments as set forth in the Statement of Adjustments referred to in paragraph 5.3(a)(i) hereof (and/or such undertakings and assurances as may be acceptable to Big Sky and the Senior Lenders or their respective solicitors for the payment of such Purchase Price);

(ii) the Material Contracts executed by the Purchaser (other than Material Contracts executed and delivered at a previous Closing Date); and

(iii) such other documents referred to in subsection 5.3(a) hereof that may require the signature of the Purchaser together with such other documents and agreements as may be required in connection with or as a consequence of, or to evidence the satisfaction of, any of the conditions of Closing enumerated in subsections 5.2(a) to 5.2(j) inclusive; and

(c) Big Sky and/or the Purchaser shall additionally execute and deliver to and in favour of one another and/or to and in favour of such third parties as may be necessary in the circumstances, such additional documents, certificates, assurances and agreements as may be necessary or reasonably desirable to complete and Close the Transaction in accordance with the terms and intent of this Agreement.

ARTICLE 6.0 - GENERAL AND MISCELLANEOUS

6.1 Waiver of Legislation

The Purchaser agrees that *The Land Contracts (Actions) Act* (Saskatchewan) and *The Limitation of Civil Rights Act* (Saskatchewan) shall have no application to this Agreement, any other

Material Contract or to any agreement or instrument renewing or extending or collateral to this Agreement or any other Material Contract and the Purchaser hereby expressly waives any and all benefits and remedies provided by such Acts.

6.2 Further Assurances

Each Party shall promptly execute and deliver all such additional documents, consents and other assurances and do all such other acts and things as the other Party, acting reasonably, may from time to time request be executed or done in order to better evidence or perfect or effectuate any provision of this Agreement or any of the Parties' respective obligations hereunder.

6.3 Notices

(a) Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered in person, transmitted by facsimile, electronic mail or other form of electronic transmission or sent by first-class mail, charges prepaid, addressed as follows:

(i) if to Big Sky:

905 - 5th Avenue
PO Box 610
Humboldt SK S0K 2A0
Attention: Michael Deutscher
Phone: (306) 682-5168
Fax: (306) 682-2750
E-mail: mdeutscher@bigsky.sk.ca

(ii) if to the Purchaser:

c/o Beckton Financial Consulting Corp.
400 - 410 - 22nd Street East
Saskatoon SK S7K 5T6
Attention: John Beckton
Phone: (306) 934-3020
Fax: (306) 652-6665
E-mail: beckton.ag@sk.sympatico.ca

(b) any such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a Business Day or is after 4:00 p.m. on a Business Day, on the next following Business Day) or, if mailed, on the fifth Business Day following the date of mailing, provided, however, that if at the time of mailing or within five Business Days thereafter there is or occurs a labour dispute or other event that might reasonably be expected to disrupt the delivery of documents by mail, any notice or other communication hereunder shall be delivered in person or transmitted by facsimile, electronic mail or other form of electronic transmission as aforesaid;

(c) any Party may at any time change its address for service by giving notice to the other Party in accordance with this Section 6.3.

6.4 Counterparts and Facsimile

This Agreement and/or any amendments thereto may be executed in any number of counterparts and by different Parties in separate counterparts, each of which counterparts when so executed shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. Any Party may execute and deliver this Agreement and/or any amendments hereto by facsimile or by electronic mail or other form of electronic transmission and a document delivered by any Party by electronic mail or other form of electronic transmission that bears a notation that it was signed by or on behalf of that Party shall be deemed for all purposes to have been validly executed and delivered by such Party.

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

BIG SKY FARMS INC.

Per: "Florian Possberg"
Florian Possberg, President and Chief Executive Officer

Per: "Michael Deutscher"
Michael Deutscher, Chief Financial Officer

BIG SKY FINISHERS (NO. 1) INC.

Per: "John Beckton"
John Beckton, President

Per: "Lorianne Earis"
Lorianne Earis, Chief Financial Officer

BIG SKY FINISHERS (NO. 1) INC.

FINANCIAL STATEMENTS

June 30, 2009

THIS IS EXHIBIT "G" REFERRED TO IN THE AFFIDAVIT OF JOHN BECKTON SWORN BEFORE ME AT THE CITY OF SASKATOON, SASKATCHEWAN, THIS 18th DAY OF FEBRUARY, 2010.

A COMMISSIONER FOR OATHS IN AND FOR THE PROVINCE OF SASKATCHEWAN MY ~~COMMISSION EXPIRES~~
OR BEING A SOLICITOR

Deloitte.

Deloitte & Touche LLP
122 1st Ave. S.
Suite 400, PCS Tower
Saskatoon SK S7K 7E5
Canada

Tel: (306) 343-4400
Fax: (306) 343-4480
www.deloitte.ca

AUDITORS' REPORT

**TO THE SHAREHOLDERS OF
BIG SKY FINISHERS (NO. 1) INC.**

We have audited the balance sheet of Big Sky Finishers (No. 1) Inc. (the "Company") as at June 30, 2009 and the statements of earnings, comprehensive earnings and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants

October 13, 2009

BIG SKY FINISHERS (NO. 1) INC.
Statement of Earnings, Comprehensive Earnings and Retained Earnings
for the year ended June 30, 2009

	2009	2008
Revenue		
Contract finishing revenue	$ 1,252,400	$ 1,252,402
Other income	113,186	117,215
	1,365,586	1,369,617
Expenses		
Utilities	95,830	88,430
Repairs and maintenance	187,181	152,439
General insurance	37,748	36,143
Property taxes	896	862
Wages and benefits	223,645	210,016
Professional services	29,725	18,873
Management fees	60,000	60,000
Depreciation	355,328	354,601
Interest	205,833	263,902
	1,196,186	1,185,266
Earnings before income taxes	169,400	184,351
Future income taxes (Note 11)	26,264	28,673
Net earnings and comprehensive earnings	143,136	155,678
Retained earnings, beginning of period	138,426	162,748
Dividends paid	(180,000)	(180,000)
Retained earnings, end of period	$ 101,562	$ 138,426

BIG SKY FINISHERS (NO. 1) INC.
Balance Sheet
as at June 30, 2009

		2009		2008
Current Assets				
Cash	$	67,335	$	249,030
Short term investments (Note 4)		198,924		78,520
Accounts receivable		400,528		253,885
Prepaid expenses		17,939		17,800
		684,726		599,235
Property, Plant and Equipment (Note 5)		5,011,723		5,348,341
Long Term Investments (Note 4)		13,060		123,741
	$	5,709,509	$	6,071,317
Current Liabilities				
Accounts payable and accrued liabilities	$	69,530	$	99,244
Current portion of long term debt (Note 6)		363,357		306,811
		432,887		406,055
Future Income Taxes (Note 11)		210,435		184,171
Long Term Debt (Note 6)		3,164,624		3,542,664
		3,807,946		4,132,890
Shareholders' Equity				
Share capital (Note 7)				
Common		1		1
First Preferred		1,800,000		1,800,000
Retained earnings		101,562		138,426
		1,901,563		1,938,427
	$	5,709,509	$	6,071,317

Approved by the Board:

(signed) "Doyle Wiebe" .... **Director**

(signed) "Brad Wildeman" .... **Director**

BIG SKY FINISHERS (NO. 1) INC.
Statement of Cash Flows
for the year ended June 30, 2009

		2009		2008
Cash Flows From (Used In) Operating Activities				
Net earnings	$	143,136	$	155,678
Adjustments for				
Depreciation		355,328		354,601
Loss on disposal of capital assets		-		11,098
		498,464		521,377
Changes in non-cash working capital				
Accounts receivable		(146,643)		(126,764)
Prepaid expenses		(139)		(3,360)
Accounts payable and accrued liabilities		(29,714)		(5,071)
Future income taxes		26,264		28,673
		348,232		414,855
Cash Flows From (Used In) Investing Activities				
Purchase of equipment		(18,710)		(26,556)
Maturity of (purchase of) short term investments		(120,404)		27,537
Maturity of (purchase of) long term investments		110,681		(111,005)
		(28,433)		(110,024)
Cash Flows Used In Financing Activities				
Payment of dividends		(180,000)		(180,000)
Repayment of long term debt		(321,494)		(271,594)
		(501,494)		(451,594)
Net Decrease in Cash		(181,695)		(146,763)
Cash Position, Beginning of Year		249,030		395,793
Cash Position, End of Year	$	67,335	$	249,030
Cash Interest Paid	$	210,234	$	266,589

BIG SKY FINISHERS (NO. 1) INC.
Notes to the Financial Statements
for the year ended June 30, 2009

1. CONTINUING OPERATIONS

The financial statements for Big Sky Finishers (No. 1) Inc. (the "Company") have been prepared on the basis of accounting principles applicable to a going concern.

As a result of challenging market conditions in the hog industry, the Company's only customer, Big Sky Farms Inc. ("BSFI") (see Note 10), with the consent of the Company, has deferred payment of the outstanding balance owing to the Company until a later undetermined time. For this reason, the balance owing from BSFI has accumulated over the last three months with no defined terms for a future date of receipt.

Projections for the upcoming fiscal year indicate a turnaround in the hog industry, however, estimates of prices and costs are based on commodity markets which are subject to significant fluctuation. There may be substantial variances from the estimates used and therefore projected results may not be achieved.

Given the current uncertainty within the hog industry, the Company is considering various options that might be available in the event that BSFI is unable to fulfill their contracted obligations. There is no assurance that these options are feasible or that they would be successful. The Company's continued operations are dependent upon the support of its lenders and shareholders and its ability to manage future uncertainty.

If the going concern assumption for the Company were not appropriate for these financial statements, adjustments would be necessary to the carrying values of assets and liabilities, the reported net earnings and the balance sheet classifications used.

2. DESCRIPTION OF BUSINESS

The Company was incorporated August 27, 2002, pursuant to The Business Corporations Act (Saskatchewan) and began operating two hog finishing barns under a contract finishing agreement on May 16, 2003.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

Measurement Uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the useful lives of depreciable assets used to compute amortization and the provision for uncollectible accounts receivable. Actual results could differ from these estimates.

3. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

Financial Instruments

Effective July 1, 2007, the Company adopted CICA Handbook Sections 1530 "Comprehensive Income". Section 3251 "Equity". Section 3855 "Financial Instruments – Recognition and Measurement" and Section 3861 "Financial Instruments – Disclosure and Presentation". Section 1530 establishes standards for reporting and presenting comprehensive income, which is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income that are excluded from net income calculated in accordance with Canadian generally accepted accounting principles.

Section 3861 establishes standards for presentation of financial instruments and non-financial derivatives, and identifies the information that should be disclosed about them.

Section 3855 prescribes when a financial asset, financial liability or non-financial derivative is to be recognized on the balance sheet and at what amount, requiring fair value or cost-based measures under different circumstances. Under Section 3855, financial instruments must be classified into one these five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments, including derivatives, are measured in the balance sheet at fair value except for loans and receivables, held-to-maturity investments, and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification, as follows: held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net earnings; available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the investment is derecognized at which time the amounts would be recorded in income.

The Company has classified its cash and short term investments as held-for-trading, which are measured at fair value. Accounts receivable are classified as loans and receivables, which are measured at amortized cost. Long term investments are classified as held-for-trading, which are measured at fair value, or held-to-maturity, which are measured at amortized cost (see Note 3). Accounts payable and accrued liabilities and long term debt are classified as other financial liabilities, which are measured at amortized cost.

For certain of the Company's financial instruments, including cash, short term investments, accounts receivable, accounts payable and accrued liabilities, the carrying values approximate fair value due to the immediate or short term maturity of these items.

The fair value of long term debt is determined by discounting the future contractual cash flows under current financing arrangements at discount rates which represent borrowing rates presently available to the Company from loans with similar terms and maturity. In all instances, carrying values approximate fair values.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Effective July 1, 2008, the Company adopted CICA Handbook Sections 3862, *Financial Instruments – Disclosure* and Section 3863, *Financial Instruments – Presentation* and Section 1535, *Capital Disclosures*. Section 3862 requires the disclosure of information about: a) the significance of financial instruments for the entity's financial position and performance and b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks (Note 9). Section 3863 contains standards for presentation of financial instruments and non-financial derivatives.

Capital disclosures

The Company adopted the recommendations of CICA Handbook Section 1535, *Capital Disclosures*. This Section requires the disclosure of information about externally imposed capital requirements. The required disclosures are included in Note 12. The adoption of this Section had no impact on the financial statements.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost. Depreciation is calculated using the straight-line method over the useful life of the assets which is estimated to be 15 years.

Pension Plan

The cost of pension benefits for the defined contribution plan is charged to earnings as contributions are earned.

Income Taxes

The Company recognizes future income taxes for the expected future tax consequences of differences between the carrying amount of balance sheet items and their corresponding tax values. Future income tax assets are amounts of income tax benefits arising in respect of deductible temporary differences and carry forward of unused tax losses. Future income tax liabilities are the amounts of income taxes arising from taxable temporary differences.

The Company computes future income taxes using the enacted corporate income tax rates for the years in which the differences are expected to reverse.

Recent Accounting Pronouncements

IFRSs

In April 2008 and March 2009, the CICA's Accounting Standards Board ("AcSB") published exposure drafts on "Adopting IFRSs in Canada". The exposure drafts propose to incorporate the IFRSs into the CICA Accounting Handbook effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. At this date, publicly accountable enterprises in Canada will be required to prepare financial statements in accordance with IFRSs. The exposure drafts make possible the early adoption of IFRSs by Canadian entities. The company is currently reviewing the standards to determine the potential impact on its financial statements.

4. INVESTMENTS

The Company's investments have been classified as held for trading with the exception of the non-redeemable member equity account which has been classified as held to maturity.

	2009	2008
Short Term Investments		
GIC - interest 4.5%, matures November 2009	$ 79,623	$ 77,105
GIC - interest 4.9%, matures December 2009	116,435	-
Redeemable Member Equity Account	2,866	1,415
	$ 198,924	$ 78,520
Long Term Investments		
GIC - reclassified to short term	$ -	$ 111.005
Non-redeemable Member Equity Account	13,060	12,736
	$ 13,060	$ 123,741

5. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated Depreciation	Net Book Value 2009	Net Book Value 2008
Land	$ 115,000	$ -	$ 115,000	$ 115,000
Lagoons and wells	1,002,233	308,809	693,424	744,260
Buildings	4,330,592	1,321,634	3,008,958	3.206,796
Equipment	1,717,039	522.698	1,194,341	1,282,285
	$ 7,164,864	$ 2,153,141	$ 5,011,723	$ 5,348,341

6. LONG TERM DEBT

	2009	2008
Bank term loan bearing interest at prime rate plus 1%, repayable in monthly installments of $15,390 blended principal and interest.	$ 1,119,547	$ 1,247,848
Bank term loans bearing interest at a weighted average of 5.97%, repayable in monthly installments of $27.456 blended principal and interest.	2,408,434	2,601,627
	3,527,981	3,849,475
Less amounts due within one year	363,357	306,811
	$ 3,164,624	$ 3,542,664

6. LONG TERM DEBT (continued)

Loans are secured by all assets of the Company and are being amortized over fifteen years.

At June 30, 2009, the carrying amounts of long term debt approximate fair values as determined by reference to current market conditions.

Principal amounts due in each of the next five years are as follows:

2010	363,357
2011	381,156
2012	397,420
2013	415,045
2014	422,110

7. SHARE CAPITAL

The Company's authorized share capital consists of:

- a single common share;
- an unlimited number of shares designated first preferred shares, which carry the right to vote; to receive a fixed, cumulative, annual, preferential dividend of $1 per share (the "First Preferential Dividends") in priority to dividends on any other class of shares and, thereafter, subject to the rights of the holders of second preferred shares, to participate in any additional dividends declared by the board of directors; and upon winding up of the company to receive, in preference and priority of any distributions to the holders of any other class of shares, a return of capital of $10 per share plus any accrued but unpaid First Preferential Dividends and, thereafter, subject to the rights of the holders of second preferred shares, to share equally in any further distribution of the net assets of the company; and
- an unlimited number of shares designated second preferred shares, which are non-voting and which carry the right to receive, a fixed, cumulative, annual, preferential dividend of 10% of the issue price of such second preferred shares (the "Second Preferential Dividends") provided that all First Preferential Dividends have been paid, but not to otherwise participate in any dividends; and upon the winding up of the company, subject to the preferential rights attaching to the First Preferred Shares, to receive a return of capital plus any accrued but unpaid Second Preferential Dividends, but not to otherwise participate in any distributions upon winding up of the company.

At June 30, 2009 there was a single common share issued and outstanding (2008 – 1). No common shares were issued during the year (2008 – 0).

At June 30, 2009 there were 180,000 First Preferred Shares issued and outstanding (2008 – 180,000). No preferred shares were issued during the year (2008 – 0).

8. EMPLOYEE BENEFITS

The Company has a defined contribution pension plan offered to employees. The Company matches employee contributions to the plan. Included in expenses is $1,523 (2008 - $4,261) of contributions made by the Company to this plan.

9. FINANCIAL INSTRUMENTS

Credit Risk

The Company's primary financial assets are cash, short-term investments, accounts receivable and long-term investments. The carrying amounts of financial assets on the balance sheet represents the Company's maximum credit exposure at the balance sheet date.

The Company's credit risk is primarily attributable to trade receivables. The amount disclosed in the balance sheet are net of allowance for doubtful accounts, estimated by the management of the Company based on previous experience and its assessment of the current economic environment. The Company has one customer, Big Sky Farms Inc., which increases the concentration of credit risk (see Note 10). The credit risk on cash and investments is limited because the counterparties are chartered banks with high credit-ratings assigned by national credit-rating agencies.

Interest Rate Risk

Two thirds of the long-term debt bears interest at fixed rates and one third of the long-term debt bears interest at variable rates. Consequently, the cash flow exposure is not significant. The interest bearing investments have a limited exposure to interest rate risk due to their short term maturity.

10. ECONOMIC DEPENDENCE

The Company holds contracts with only one customer, Big Sky Farms Inc. ('Farms'), which places it in a position of economic dependence upon Farms. As a result of challenging market conditions in the hog industry, Farms has incurred significant losses in the last two fiscal years and its cash resources are limited. The Company would face significant financial challenges if Farms is unable to continue its contractual obligations to the Company.

11. INCOME TAXES

The Company's statutory income tax rate approximates 15.5%. The Company has farm losses carryforward of $705,061 that begin to expire in 2013. Future income taxes relate primarily to claiming capital cost allowance for income tax purposes in excess of depreciation claimed for accounting purposes less the future income tax benefit related to the farm losses carryforward.

12. CAPITAL MANAGEMENT

The Company's objectives when managing capital are:

a) To maintain a flexible capital structure which optimized the cost of capital at acceptable risk; and

b) To maintain capital in a manner which balances the interests of equity and debt holders.

In the management of capital, the Company includes shareholder's equity and long-term debt in the definition of capital.

The Company manages its capital structure and makes adjustments due to changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to the shareholders, issue new shares, issue new debt, and/or issue new debt to replace existing debt with different characteristics.

Capital management objectives, policies and procedures are unchanged from the preceding year.

Under its various borrowing agreements, the Company must satisfy certain restrictive covenants as to minimum financial ratios such as current ratio, working capital ratio and debt/equity ratio.

13. RELATED PARTY TRANSACTIONS

During the year, services in the amount of $6,470 ($4,886 in 2008) were provided by a company in which the Company's president has a controlling interest. These transactions were made in the normal course of business and have been recorded at the exchange amounts. The amount payable in respect of these transactions was $485 as at June 30, 2009 ($176 in 2008).

Q.B.G. No 1461 of 2009
CANADA
PROVINCE OF SASKATCHEWAN

IN THE QUEEN'S BENCH
JUDICIAL CENTRE OF SASKATOON

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT,* R.S.C. 1985, c. C-36 (the "CCAA")

AND IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT FOR THE CREDITORS OF BIG SKY FARMS INC., DRYCAST SYSTEMS INC. and BIG SKY MANAGEMENT CONSULTING CORP.

AND IN THE MATTER OF NOTICE BY DEBTOR COMPANY TO DISCLAIM OR RESILIATE AN AGREEMENT

BETWEEN:

BIG SKY FINISHERS (NO.1) INC.

APPLICANT

AND:

BIG SKY FARMS INC.

RESPONDENT

ACKNOWLEDGEMENT OF SERVICE

You are asked to fill out and sign this form without delay, and [to return it by fax to Robert F. Thornton, Q.C. of Stevenson Hood Thornton Beaubier LLP at (306) 653-1118. If you do not return this signed and completed Acknowledgement of Service without delay, you may not receive notice of any further proceedings or any documents may be personally served on you and you will be required to pay the costs of service.

I ACKNOWLEDGE SERVICE on me of a copy of the following document:

1. Notice of Motion returnable March 4, 2010;
2. Affidavit of John Beckton sworn February 18, 2010; and
3. Draft Order.

Signature	Date of Service

Firm Name:	Ernst & Young Inc.
Whose address for service is:	Pacific Centre 700 W. Georgia St. P.O. Box 10101 Vancouver, B.C. V7Y 1C7
Person in Charge of File:	Kevin Brennan
Telephone number is:	604-891-8200
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This document was delivered by and whose address for service is **Stevenson Hood Thornton Beaubier LLP**, Barristers & Solicitors, #500, 123-2nd Avenue South, Saskatoon SK S7K 7E6; Telephone (306) 244-0132; Fax (306) 653-1118. Lawyer in charge of file: Janet L. Stevens (File: 39,462)