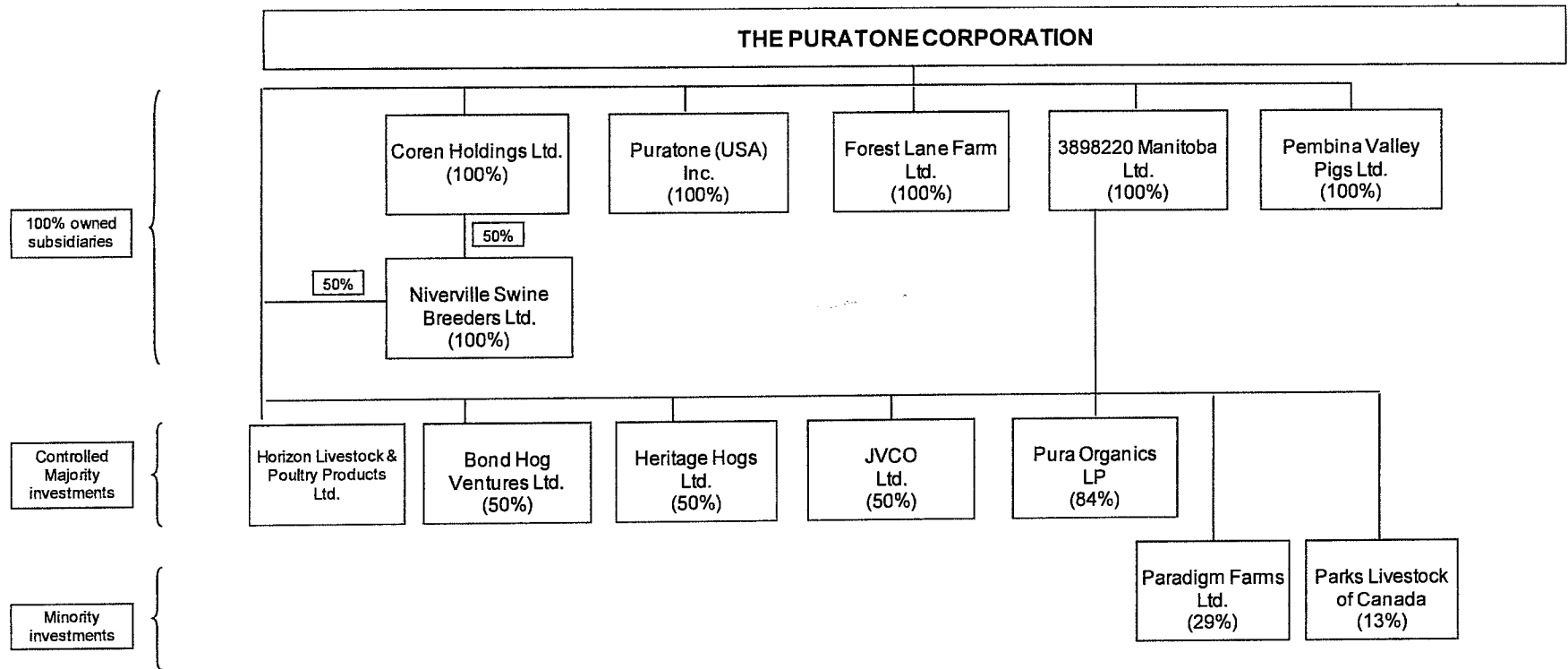

**THIS IS EXHIBIT "1" REFERRED TO IN THE
AFFIDAVIT OF RAYMOND ALAN HILDEBRAND
SWORN BEFORE ME AT THE CITY OF WINNIPEG
IN THE PROVINCE OF MANITOBA
THIS 11 DAY OF SEPTEMBER, 2012**



A NOTARY PUBLIC
in and for the Province of Manitoba

- Corporate Structure



**THIS IS EXHIBIT "2" REFERRED TO IN THE
AFFIDAVIT OF RAYMOND ALAN HILDEBRAND
SWORN BEFORE ME AT THE CITY OF WINNIPEG
IN THE PROVINCE OF MANITOBA
THIS 11 DAY OF SEPTEMBER, 2012**



**A NOTARY PUBLIC
in and for the Province of Manitoba**

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
The Puratone Corporation

We have audited the accompanying consolidated financial statements of **The Puratone Corporation**, which comprise the consolidated balance sheet as at September 30, 2011 and the consolidated statements of operations and deficit and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of **The Puratone Corporation** as at September 30, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 1 in the consolidated financial statements which indicates that there is uncertainty as to the Company's ability to continue as a going concern due to commodity market uncertainty and a highly leveraged balance sheet. These conditions, along with other matters as set forth in note 1, indicate the existence of material uncertainties about the Company's ability to continue as a going concern.

Winnipeg, Canada,
February 22, 2012.

Ernst & Young LLP

Chartered Accountants

The Puratone Corporation

Incorporated under the laws of Manitoba

CONSOLIDATED BALANCE SHEET*[note 1 - basis of presentation]*

As at September 30

	2011	2010
	\$	\$
ASSETS <i>[notes 9 and 10]</i>		
Current		
Cash	191,528	3,363,267
Accounts receivable	5,547,512	6,719,383
Inventories <i>[note 4]</i>	20,744,592	19,067,929
Prepaid expenses	605,924	545,091
Future income taxes <i>[note 20]</i>	432,499	518,564
Total current assets	27,522,055	30,214,234
Investments <i>[note 6]</i>	1,352,259	1,429,759
Other assets <i>[note 7]</i>	869,269	925,725
Breeding stock, net <i>[note 5]</i>	8,993,497	7,155,688
Capital assets, net <i>[note 8]</i>	60,113,538	58,287,691
Future income taxes <i>[note 20]</i>	5,270,000	4,041,000
	104,120,618	102,054,097
LIABILITIES AND SHAREHOLDERS' INTERESTS		
Current		
Bank indebtedness <i>[note 9]</i>	6,406,680	355,975
Accounts payable and accrued liabilities	9,715,148	11,403,344
Dividends payable	319,763	245,608
Current portion of long-term debt <i>[note 10]</i>		
Expected repayments due within one year	2,412,717	3,030,393
Expected repayments due after one year	2,544,006	1,672,162
Current portion of advances from shareholders <i>[note 11]</i>	29,764	29,764
Total current liabilities	21,428,078	16,737,246
Long-term debt <i>[note 10]</i>	76,202,616	74,830,607
Future income taxes <i>[note 20]</i>	6,903,963	7,206,650
Non-controlling interest	26,767	51,404
	104,561,424	98,825,907
Shareholders' interests		
Liabilities to shareholders		
Advances from shareholders <i>[note 11]</i>	1,790,041	1,790,041
Redeemable and retractable preference shares <i>[note 12]</i>	4,841,913	5,031,955
	6,631,954	6,821,996
Shareholders' deficiency		
Share capital <i>[note 13]</i>	11,546,395	11,546,395
Contributed surplus <i>[notes 12 and 13]</i>	11,627,617	11,551,600
Deficit	(30,246,772)	(26,691,801)
	(7,072,760)	(3,593,806)
	(440,806)	3,228,190
	104,120,618	102,054,097
Commitments and contingencies <i>[notes 13 and 18]</i>		

See accompanying notes

On behalf of the Board:

The Puratone Corporation

CONSOLIDATED STATEMENT OF OPERATIONS AND DEFICIT

Year ended September 30

	2011	2010
	\$	\$
Sales [note 23]	103,068,301	97,897,303
Cost of goods sold [note 4 and 23]	88,728,085	83,090,462
Gross profit	14,340,216	14,806,841
Other income [schedule 1]	1,106,495	6,174,591
	15,446,711	20,981,432
Selling, administrative and general expenses [schedule 2]	11,092,534	10,914,277
Income from operations	4,354,177	10,067,155
Interest expense		
Short-term	217,635	893,204
Long-term	4,159,563	3,466,622
	4,377,198	4,359,826
Interest earned	(44,451)	(343,675)
Dividends on preference shares	74,155	68,661
	4,406,902	4,084,812
Gain on renegotiation of debt [note 10]	—	(2,812,037)
Gain on sale of interest in Niverville Farms (2000) Ltd.	—	(1,510,414)
	4,406,902	(237,639)
Income (loss) before depreciation, amortization, income taxes and other item	(52,725)	10,304,794
Depreciation	4,906,689	5,479,352
Amortization of deferred financing costs	38,268	92,510
Income (loss) before income taxes and other item	(4,997,682)	4,732,932
Income tax expense (recovery) [note 20]		
Current	27,548	13,757
Future	(1,445,622)	351,924
	(1,418,074)	365,681
Income (loss) before other item	(3,579,608)	4,367,251
Non-controlling interest	24,637	6,658
Net income (loss) for the year	(3,554,971)	4,373,909
Deficit, beginning of year	(26,691,801)	(31,065,710)
Deficit, end of year	(30,246,772)	(26,691,801)
Weighted average number of shares outstanding	2,217,540	2,217,540
Income (loss) per share		
Basic and fully diluted	(1.60)	1.97

See accompanying notes

The Puratone Corporation

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended September 30

	2011	2010
	\$	\$
OPERATING ACTIVITIES		
Net income (loss) for the year	(3,554,971)	4,373,909
Add (deduct) items not involving cash		
Non-controlling interest in loss	(24,637)	(6,658)
Depreciation	4,906,689	5,479,352
Amortization of deferred financing costs	38,268	92,510
Amortization of breeding stock and breeding stock adjustments	2,085,000	2,640,000
Gain on disposal of capital assets	(39,250)	(349,582)
Gain on sale of interest in Niverville Farms (2000) Ltd.	—	(1,510,414)
Future income taxes expense (recovery)	(1,445,622)	351,924
Gain on renegotiation of debt [note 10]	—	(2,812,037)
Amortization of gain on renegotiation of debt [note 10]	977,068	503,963
Income from companies subject to significant influence	(9,861)	(526,706)
Dividends on preference shares	74,155	68,661
	<u>3,006,839</u>	<u>8,304,922</u>
Net change in non-cash working capital balances related to operations [note 14]	(2,253,821)	(4,255,669)
Cash provided by operating activities	<u>753,018</u>	<u>4,049,253</u>
INVESTING ACTIVITIES		
Proceeds on disposal of breeding stock	1,606,119	1,622,341
Proceeds on disposal of capital assets	150,244	289,551
Acquisition of breeding stock	(5,528,928)	(2,397,449)
Purchase of capital assets	(6,843,530)	(2,733,571)
Proceeds from disposal of other assets	24,387	—
Purchase of other assets	(6,199)	—
Proceeds from investments	104,428	2,564,418
Purchase of investments	(17,067)	—
Cash used in investing activities	<u>(10,510,546)</u>	<u>(654,710)</u>
FINANCING ACTIVITIES		
Financing costs	—	(572,325)
Increase (decrease) in bank indebtedness	6,050,705	(2,492,158)
Issuance of common shares [note 13]	—	576
Long-term debt advances	2,577,221	4,400,046
Repayment of long-term debt	(1,928,112)	(1,496,443)
Redemption of preference shares	(114,025)	—
Decrease in shareholders' advances	—	(912)
Cash provided by (used in) financing activities	<u>6,585,789</u>	<u>(161,216)</u>
Net increase (decrease) in cash during the year	<u>(3,171,739)</u>	<u>3,233,327</u>
Cash, beginning of year	3,363,267	129,940
Cash, end of year	<u>191,528</u>	<u>3,363,267</u>
Supplemental cash flow information		
Interest paid during the year, net	3,657,884	3,737,475
Income taxes received during the year, net	(8,402)	(367,834)

See accompanying notes

The Puratone Corporation

Schedule 1

CONSOLIDATED SCHEDULE OF OTHER INCOME

Year ended September 30

	2011	2010
	\$	\$
Fees and other charges		
Administration fees	160,395	211,590
Management fee income	105,518	287,472
	<u>265,913</u>	<u>499,062</u>
Gain realized on assets		
Gain on disposal of capital assets	39,250	349,582
	<u>39,250</u>	<u>349,582</u>
Miscellaneous income:	1,009,728	553,531
Foreign exchange gain	31,698	388,794
Rent	61,654	85,793
Government program payments [note 22]	(311,609)	3,771,123
Income from companies subject to significant influence	9,861	526,706
	<u>801,332</u>	<u>5,325,947</u>
	<u>1,106,495</u>	<u>6,174,591</u>

See accompanying notes

The Puratone Corporation

Schedule 2

**CONSOLIDATED SCHEDULE OF SELLING,
ADMINISTRATIVE AND GENERAL EXPENSES**

Year ended September 30

	2011	2010
	\$	\$
Advertising and promotion	61,051	29,617
Bad debts and claims expense (recovery)	58,428	(196,501)
Bank charges	138,170	218,978
Business taxes, licenses and memberships	436,324	442,410
Capital tax expense (recovery)	(168,932)	246,107
Donations	8,685	21,645
Employee benefits	2,082,947	1,697,736
Insurance	994,449	808,006
Management fees	93,705	205,418
Office and miscellaneous	296,286	432,466
Payroll tax	271,805	256,596
Professional fees	651,997	611,901
Property tax	141,555	129,841
Rent	19,369	—
Telephone and fax	321,886	297,672
Travel and vehicles	681,497	658,173
Veterinary and laboratory	47,752	40,539
Wages, salaries and management fees	4,955,560	5,013,673
	<u>11,092,534</u>	<u>10,914,277</u>

See accompanying notes

The Puratone Corporation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2011

1. NATURE OF BUSINESS AND BASIS OF PRESENTATION

Nature of business

The Puratone Corporation [the "Company"] is engaged in the pork industry and runs these operations through the Company, wholly owned or partially owned subsidiary companies and various joint ventures. The Company is also involved in the manufacture and retail sales of feed, sale of poultry and livestock medication and barn equipment.

Basis of presentation

The Company's ability to continue as a going concern is dependent upon the ongoing support of its lenders and achieving profitable results. Cash flows for the upcoming year are projected to be positive, 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. There is uncertainty as to the Company's ability to continue as a going concern due to commodity market uncertainty and a highly leveraged balance sheet. The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. If the going concern assumption was not appropriate for these consolidated financial statements, adjustments would be necessary to the carrying values of assets and liabilities, the reported net income (loss) and the consolidated balance sheet classifications used.

2. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles which require management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosures of contingencies. Significant areas requiring the use of management estimates relate to the useful life of depreciable assets, the evaluation of carrying value of long-lived assets for potential impairment and the valuation of inventory and breeding stock. Actual results could differ from these estimates. Outlined below are those policies considered particularly significant for the Company.

Principles of consolidation

The consolidated financial statements include the accounts of the Company, its subsidiaries and its proportionate share of the accounts of joint ventures. All significant inter-company balances and transactions have been eliminated on consolidation.

The Puratone Corporation**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

September 30, 2011

	2011 %	2010 %
Subsidiaries		
3898220 Manitoba Ltd. [1]	100.0	100.0
Coren Holdings Ltd.	100.0	100.0
Forest Lane Farm Ltd. [2]	100.0	100.0
Niverville Swine Breeders Ltd.	100.0	100.0
Pembina Valley Pigs Ltd.	100.0	100.0
Pura Organics Limited Partnership	83.6	83.6
Puratone (USA) Inc.	100.0	100.0
	2011 %	2010 %
Joint ventures		
Bond Hog Ventures Ltd.	50.0	50.0
Heritage Hogs Limited	50.0	50.0
Horizon Livestock & Poultry Supply Ltd.	50.0	50.0
JVCO Transport Ltd.	50.0	50.0

[1] Operations of Puratone (USA) Inc. ceased in January 2010.

[2] Effective March 28, 2011 5556865 Manitoba Ltd. changed its name to Forest Lane Farm Ltd. and Forest Lane Farm Ltd. acquired land, buildings, equipment and tools for \$552,750 [note 3].

Inventories

Inventories are valued at the lower of cost, determined on a first-in, first-out basis, and net realizable value. Write-downs in carrying value and/or reversals of previous write-downs are recorded in cost of goods sold.

Investments

Investments in companies subject to significant influence are accounted for using the equity method.

Other investments are accounted for using the cost method.

If a decline in value of the investments is considered other than temporary a write-down to realizable value is recorded.

The Puratone Corporation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2011

Intangibles

Management assesses the carrying value of intangibles whenever events or changes in circumstances indicate that their carrying value may exceed their fair value.

Breeding stock

The cost of breeding animals is determined using the average costs of production of boars and gilts in each category, including the development costs incurred to the time that the production cycle commences.

The difference between cost and estimated average slaughter value is amortized over the estimated productive life as follows:

Sows	6 farrowings
Boars	16 productive months

Gains or losses on disposal of animals in the breeding stock, including death losses, and adjustments for immaterial differences between the actual and average cost of purchased breeding stock are written off to income (loss) in the period in which they occur.

Capital assets

Capital assets are stated at historical cost less investment tax credits recognized, if applicable. Normal maintenance and repairs are expensed as incurred. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets at the following annual rates:

Buildings	2.5% - 6.67%
Mill and general equipment	6.67%
Barn equipment	6.67%
Yard improvements, manure storage	2.5%
Office equipment	10% - 20%
Automotive equipment	15% - 20%
Assets under capital lease	2.5% - 20%

The Puratone Corporation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2011

Asset impairment

Management assesses the carrying value of long-lived assets using its best estimate of undiscounted future cash flows whenever conditions arise that could indicate a possible impairment. Any impairment is recognized as a reduction in cost when identified and the asset is written down to estimated fair value.

Income taxes

Income taxes are provided for using the liability method of tax allocation. Under this method, differences between the financial reporting bases and the income tax bases of the Company's assets and liabilities are recorded using the substantively enacted tax rates anticipated to be in effect when the corresponding taxes will be paid or refunded.

Deferred financing costs

Deferred financing costs related to the acquisition of a long-term credit facility are amortized over the term of the credit facility.

Revenue recognition

Revenue is recognized on shipment of goods or provision of services, provided persuasive evidence of an arrangement exists, the price is fixed and determinable and collection of the proceeds is probable.

Government assistance

Government program payments included in other income are recognized provided terms and conditions of program eligibility are considered to be met, the amount is determinable and collection is reasonably assured.

Financial instruments

Financial instruments include cash, margin deposits, accounts receivable, investments, bank indebtedness, accounts payable and accrued liabilities, dividends payable, long-term debt, advances from shareholders, preference shares and foreign exchange forward contracts. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest rate, currency or credit risks arising from the financial instruments. Unless otherwise stated, the book value of the Company's financial assets and liabilities approximates their fair value.

The Puratone Corporation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2011

Derivative financial instruments

Derivative financial instruments are used by the Company to reduce its exposure to fluctuations in interest rates and foreign currency exchange rates. The derivative financial instruments do not qualify for hedge accounting. In the normal course of business, the Company does not hold or issue derivative financial instruments for derivative trading purposes.

The Company purchases foreign exchange forward contracts to manage its cash flows resulting primarily from hog sales denominated in foreign currency. These contracts are measured at fair value and included in accounts payable and accrued liabilities on the consolidated balance sheet. Changes in the fair value of the foreign exchange forward contracts are recognized in income (loss) and are included in foreign exchange gain.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies related to domestic and integrated foreign operations are translated into Canadian dollars at the year-end exchange rate, while foreign currency transactions are translated at the rate of exchange prevailing at the transaction date. All exchange gains and losses are reflected in income (loss) during the period in which they occurred.

Leases

Leases are classified as either capital or operating. Leases which transfer substantially all of the benefits and risks of ownership of the asset to the Company are accounted for as capital leases. Capital lease obligations reflect the present value of future lease payments discounted at the appropriate interest rate. All other leases are accounted for as operating leases, whereby rental payments are expensed as incurred.

3. BUSINESS ACQUISITION

During the year, Forest Lane Farm Ltd., a wholly owned subsidiary of the Company acquired land, buildings, equipment and tools with a fair value of \$400,809. This transaction was financed with a non-interest bearing mortgage with a principal value of \$522,750. No cash consideration was paid.

The discount to the debt of \$151,941 will accrete over the term of the debt with \$9,830 of interest accretion recorded in long-term interest expense in the current year.

The Puratone Corporation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2011

4. INVENTORIES

	2011	2010
	\$	\$
Feed on farms	972,674	587,596
Feed, grain, supplements and additives - feed mill and retail	1,998,482	1,717,055
Equipment and animal health products	881,677	693,937
	<u>3,852,833</u>	<u>2,998,588</u>
Livestock		
Market animals	16,891,759	16,069,341
	<u>20,744,592</u>	<u>19,067,929</u>

During the year, \$4,544,934 [2010 - \$4,690,799] of equipment and animal health products inventory was expensed as cost of goods sold.

The total balance of inventories has been pledged as security for bank indebtedness and certain long-term debt.

5. BREEDING STOCK

	2011			2010		
	Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
	\$	\$	\$	\$	\$	\$
Breeding stock						
Sows	11,017,194	2,095,949	8,921,245	8,804,542	1,821,984	6,982,558
Boars	168,430	96,178	72,252	260,879	87,749	173,130
	<u>11,185,624</u>	<u>2,192,127</u>	<u>8,993,497</u>	<u>9,065,421</u>	<u>1,909,733</u>	<u>7,155,688</u>

6. INVESTMENTS

	2011	2010
	\$	\$
Shares in companies subject to significant influence	1,328,310	1,409,759
Loans to customers, bearing interest ranging from a rate of 10% to a rate of 12%, payable on demand	3,949	—
Miscellaneous investments, at cost	20,000	20,000
	<u>1,352,259</u>	<u>1,429,759</u>

The Puratone Corporation**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

September 30, 2011

7. OTHER ASSETS

	2011	2010
	\$	\$
Deferred financing costs [net of accumulated amortization of \$57,345; 2010 - \$19,077]	521,171	553,248
Miscellaneous, at cost	348,098	372,477
	<u>869,269</u>	<u>925,725</u>

8. CAPITAL ASSETS

	2011		
	Cost	Accumulated depreciation	Net book value
	\$	\$	\$
Land	2,432,956	—	2,432,956
Buildings	70,120,699	30,012,176	40,108,523
Mill and general equipment	39,519,130	33,308,042	6,211,088
Barn equipment	1,675,196	1,162,072	513,124
Yard improvements, manure storage	8,014,095	3,737,515	4,276,580
Office equipment	2,907,466	2,357,562	549,904
Automotive equipment	6,972,522	4,609,605	2,362,917
Assets under capital lease	2,052,145	105,829	1,946,316
Projects-in-progress	1,712,130	—	1,712,130
	<u>135,406,339</u>	<u>75,292,801</u>	<u>60,113,538</u>

	2010		
	Cost	Accumulated depreciation	Net book value
	\$	\$	\$
Land	2,423,956	—	2,423,956
Buildings	68,704,194	30,754,117	37,950,077
Mill and general equipment	38,271,012	28,668,804	9,602,208
Barn equipment	1,306,666	1,029,131	277,535
Yard improvements, manure storage	7,566,419	3,312,444	4,253,975
Office equipment	2,645,429	2,131,228	514,201
Automotive equipment	6,790,071	4,605,303	2,184,768
Assets under capital lease	41,945	29,361	12,584
Projects-in-progress	1,068,387	—	1,068,387
	<u>128,818,079</u>	<u>70,530,388</u>	<u>58,287,691</u>

The Puratone Corporation**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

September 30, 2011

9. BANK INDEBTEDNESS

The parent company, its joint venture companies and subsidiaries have revolving demand facilities available to them at September 30. The maximum available under these facilities and the related usage at proportionate amounts included in these consolidated financial statements are approximately as follows:

	2011 \$	2010 \$
Maximum credit available under facilities		
Parent company, Pembina Valley Pigs Ltd. and Niverville Swine Breeders Ltd.	13,000,000	13,000,000
Other subsidiaries and joint ventures	1,055,000	980,000
	<u>14,055,000</u>	<u>13,980,000</u>
Usage:		
Parent company, Pembina Valley Pigs Ltd. and Niverville Swine Breeders Ltd.	5,904,981	61,128
Other subsidiaries and joint ventures	501,699	294,847
	<u>6,406,680</u>	<u>355,975</u>

In March 2010 the Company completed a refinancing of its term and operating debt with its primary lenders under the Hog Industry Loan Loss Reserve Program ["HILLRP"].

These facilities bear interest at rates ranging from prime to prime plus 2%. The effective interest rate for the year was 4.07% [2010 - 3.47%].

The Company has pledged the following as collateral for the bank indebtedness: an assignment of book debts, Section 427 Security Agreement covering inventories, a general security agreement and an inter-lender priority agreement over accounts receivable, inventories and breeding stock.

The bank also holds guarantees from subsidiary companies and postponements of claim from certain shareholders.

The Puratone Corporation**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

September 30, 2011

10. LONG-TERM DEBT

	2011	2010
	\$	\$
Term loan, bearing interest at prime plus 2.0% with blended monthly payments of \$58,352, with a maturity date of February 1, 2015. The loan has a 13-year amortization and the Company is on a principal holiday for the period from March 1, 2010 to February 28, 2012. The effective interest rate for the year was 5.12%	7,000,000	7,000,000
Term loans, bearing interest at 2%, with blended monthly payments of \$287,090, and a maturity date of February 1, 2017. Commencing March 1, 2012 and continuing until February 28, 2013 payments will be reduced to \$50,000 per month plus interest. The interest was adjusted subsequent to year end to a variable rate of prime minus 2%. The effective interest rate for the year was 5.0% including the amortization of the interest rate benefit recorded in interest expense.	34,674,851	35,984,449
Unamortized portion of interest rate benefit	(1,331,007)	(2,308,075)
Collateral for all the above loans consists of mortgages in the amount of \$45,660,000 over specific assets of the Company, a general security agreement, an inter-lender capital priority agreement, a postponement of claim from certain shareholders, guarantees from subsidiary companies and an assignment of all risk insurance		
Term loans, bearing interest at 2.25% up to May 1, 2009, thereafter increasing to 4.5% up to May 1, 2011 and finally increasing to 6.0% over the balance of the amortization due May 1, 2016. Semi-annual interest only payments commence November 1, 2008. The Company is on a principal holiday until November 1, 2011, after which blended payments commence on May 1, 2012 at \$599,296 semi-annually. The Company has pledged as collateral a second charge on land and security on inventories, equipment, receivables and intangibles. These loans are subordinate to all other bank and term loans. The effective interest rate for the year was 5.25%	5,112,114	5,112,114

The Puratone Corporation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2011

	2011 \$	2010 \$
Term loan, bearing interest at prime plus 3.0% up to December 31, 2010 and prime plus 2.0% over the balance of the amortization due December 31, 2024. Monthly interest only payments commenced March 1, 2010. The Company is on a principal holiday until February 28, 2012, after which principal only payments commence on March 1, 2012 at \$185,288 per month. The effective interest rate for the year was 5.12%.	28,905,000	28,905,000
Mortgages and loans, bearing interest at rates varying from prime plus 1% to prime plus 2.5%, with blended monthly payments of \$10,392, with the loans maturing on demand or by February 2020. The Company has pledged as collateral for the mortgages and loans, demand debentures representing a floating charge over assets, promissory notes, general security agreement, assignment of fire insurance, assignment of life insurance and pledges of shares. The effective interest rate for the year was 4.79% [2010 - 4.41%]	304,949	398,837
Mortgage, non-interest bearing with monthly payments of \$3,350 maturing October 2024. The effective interest rate for the year was 5.0% including the amortization of the interest rate benefit recorded in interest expense [note 3]	529,300	—
Unamortized portion of interest rate benefit [note 3]	(142,111)	—
Term loans, bearing interest at 2.25% up to November 1, 2009, thereafter increasing to 4.5% up to November 1, 2011 and finally increasing to 6.0% over the balance of the amortization due November 2016. Semi-annual interest only payments commence May 1, 2009. The Company is on a principal holiday until November 1, 2011, after which blended payments commence on May 1, 2012 at \$12,462 semi-annually. The Company has pledged as collateral a second charge on land and security on inventories, equipment, receivables and intangibles. These loans are subordinate to all other bank and term loans	106,304	106,304

The Puratone Corporation**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

September 30, 2011

	2011 \$	2010 \$
Promissory note, payable in two installments of \$1,100,000 on June 1, 2013 and June 1, 2014. This promissory note is non-interest bearing, with the collateral consisting of a pledge of the shares of Niverville Swine Breeders Ltd.	2,200,000	2,200,000
Promissory notes, bearing interest at 6%, payable over five years with blended annual installments of \$195,537, maturing on May 31, 2012, principal payments to date have been postponed	658,938	658,938
Obligations under capital leases, bearing interest at rates ranging from 0% to 7.69%, with maturity dates ranging from February 2012 to December 2022	2,462,991	728,698
Term loans, bearing interest at prime plus 0.5% for an amortization period of 48 months. The Company makes blended principal and interest payments of \$12,065. The effective interest rate for the year was 3.54%	62,640	131,527
Miscellaneous loans, bearing interest at prime plus 1.5%, payable on demand. These loans are postponed to the banks. The effective interest rate for the year was 4.54%	615,370	615,370
	81,159,339	79,533,162
Less current portion		
Expected repayments due within one year	(3,426,985)	(4,007,461)
Accretion of interest rate benefit	1,014,268	977,068
	(2,412,717)	(3,030,393)
Expected repayments due after one year	(2,544,006)	(1,672,162)
	(4,956,723)	(4,702,555)
	76,202,616	74,830,607

Expected repayments due after one year

The Company presents its long-term debt in accordance with the legal rights of the lenders. Accordingly, long-term debt which is subject to demand provisions has been presented as a current liability even though the debt is scheduled to be repaid over a period of years.

The Puratone Corporation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2011

The future minimum annual repayments of long-term debt in accordance with the scheduled payment terms are as follows:

	\$
2012	3,426,985
2013	6,519,618
2014	7,341,510
2015	6,388,124
2016	6,540,436
Thereafter	52,415,784
Unamortized portion of interest rate benefit	(1,473,118)
	<u>81,159,339</u>

As part of a restructuring of existing term debt with its primary lenders whereby the amount of scheduled principal repayments on certain loans scheduled for 2012 were reduced, the Company is now contingently subject to additional principal repayment up to the previously scheduled amounts if its net earnings exceed the renegotiated principal repayments on all term debt plus interest and approved capital expenditures for the year. The amount of the deferral of scheduled principal repayments under this agreement for 2012 is \$1,280,139 which is recorded as a component of the Thereafter amounts in the scheduled principal payment schedule table above.

As part of the refinancing of the Company's term and operating loans in March 2010 [note 9], favourable rates were obtained on certain debt. This resulted in a gain on the renegotiation of debt of \$2,812,037 which was recorded in other income. The gain is being amortized over the term of favourable interest rates with \$977,068 [2010 - \$503,963] being amortized in the current year and recorded in long-term interest expense.

11. ADVANCES FROM SHAREHOLDERS

	2011 \$	2010 \$
Loans from shareholders of the Company, bearing interest at prime and repayable on demand	29,764	29,764
Loans from shareholders of the Company, bearing interest at rates ranging from prime to prime plus 2.95% and repayable on demand, subject to bank approval. These loans are postponed to the bank and term lenders	<u>1,790,041</u>	<u>1,790,041</u>
	<u>1,819,805</u>	<u>1,819,805</u>
Less current portion	<u>(29,764)</u>	<u>(29,764)</u>
	<u>1,790,041</u>	<u>1,790,041</u>

The Puratone Corporation**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

September 30, 2011

12. REDEEMABLE AND RETRACTABLE PREFERENCE SHARES

	2011 \$	2010 \$
Authorized		
An unlimited number of the following classes of shares		
Class A, B and C preference		
Class D, Series 1 preference		
Class D, Series 3 preference		
1,376,353 Class D, Series 2 preference		
Issued		
202,230 Class C preference shares	202,230	202,230
5,576,297 Class D, Series 1 preference shares [2010 - 5,623,493]	5,618,145	5,665,341
929,099 Class D, Series 2 preference shares [2010 - 1,071,945]	929,099	1,071,945
479,090 Class D, Series 3 preference shares	479,090	479,090
	<u>7,228,564</u>	<u>7,418,606</u>
Less reciprocal shareholdings		
2,048,412 Class D, Series 1 preference shares and 338,239 Class D, Series 2 preference shares	<u>(2,386,651)</u>	<u>(2,386,651)</u>
	<u>4,841,913</u>	<u>5,031,955</u>

During the year ended September 30, 2011, the Company received on surrender 47,196 Class D, Series 1 and 142,846 Class D, Series 2 preference shares for consideration of \$0.60 per share. The excess of book value of the Class D, Series 1 and Class D, Series 2 preference shares over their surrender value totaled \$76,017 and was recorded as an increase to contributed surplus.

The preference shares are non-voting, non-participating and redeemable and retractable for \$1 each. Class A and B and Class D, Series 1 and Series 2 preference shares have a non-cumulative annual dividend not exceeding the equivalent of 3% per annum above the maximum prime bank rate for the calendar year in question. Class C and Class D, Series 3 preference shares have a cumulative 8% annual dividend. Class B, C and D preference shares are redeemable by the Company or retractable by the holder.

Class B and C and Class D, Series 3 preference shares receive annual dividends of 8% and are redeemed on a five-year schedule, commencing four years from date of issuance. Class D, Series 1 and Series 2 preference shares receive no dividends and provide the holder with specific feed entitlements from Puratone feed production facilities. Class D, Series 1 and Series 2 preference shares are retractable to an aggregate maximum of 5% of issued shares per year.

The Puratone Corporation**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

September 30, 2011

The legal stated capital of the Class D, Series 2 preference shares is nil.

As at September 30, 2011, there were dividends in arrears on Class C and Class D, Series 3 preference shares in the amount of \$319,763 [2010 - \$245,608]. In addition, scheduled redemptions of Class C preference shares are in arrears in the amount of \$202,230 [2010 - \$202,230]. The dividends become payable only when legally declared.

All payment of dividends and redemption of shares are subject to the terms and conditions of the lender agreements.

13. SHARE CAPITAL

	2011	2010
	\$	\$
Authorized		
An unlimited number of the following classes of shares		
Class I, II, III, IV and V common voting		
Issued		
819,970 Class I common shares	258,634	258,634
517,370 Class II common shares	6,994,091	6,994,091
237,510 Class III common shares	3,882,767	3,882,767
26,230 Class IV common shares	410,326	410,326
616,460 Class V common shares	577	577
	<u>11,546,395</u>	<u>11,546,395</u>

In 2010, the Company issued 534,910 Class V common shares from treasury to certain key executives for cash consideration of \$576. These shares are subject to restrictions on their sale for the first five years of ownership.

There is a commitment to issue 15,000 Class V common shares as part of the consideration to provide the Company with the option to purchase assets currently under lease.

14. CONSOLIDATED STATEMENT OF CASH FLOWS

The net change in non-cash working capital balances related to operations consists of the following:

	2011	2010
	\$	\$
Accounts receivable	1,171,871	2,513,066
Inventories	(1,676,633)	1,121,633
Prepaid expenses	(60,833)	(169,044)
Accounts payable and accrued liabilities	(1,688,196)	(7,721,324)
	<u>(2,253,821)</u>	<u>(4,255,669)</u>

The Puratone Corporation**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

September 30, 2011

15. RELATED PARTY TRANSACTIONS

Transactions with joint venture companies, companies subject to significant influence and shareholders, recorded at the exchange amount, are as follows:

	2011 \$	2010 \$
Sales	18,424,383	15,802,603
Other income	265,913	499,062
Outstanding balances at September 30 were as follows:		
Accounts receivable, trade	1,303,315	883,244
Accounts payable, trade	1,028,392	217,531
Dividends payable to preference shareholders	319,763	245,608

16. INTEREST IN JOINT VENTURES

The Company consolidates its pro rata share of joint ventures' accounts at the Company's ownership interest in the respective joint venture.

	2011 \$	2010 \$
Consolidated balance sheet		
Current assets	2,102,528	1,921,654
Long-term assets	2,139,126	2,134,946
Bank indebtedness	(240,950)	(111,494)
Other current liabilities	(605,190)	(677,866)
Long-term debt	(471,753)	(596,638)
Other long-term liabilities	(83,851)	(82,650)
	<u>2,839,910</u>	<u>2,587,952</u>
	2011 \$	2010 \$
Consolidated statement of operations		
Revenues	9,778,250	9,689,254
Expenses	9,506,940	9,297,092
	<u>271,310</u>	<u>392,162</u>

The Puratone Corporation**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

September 30, 2011

	2011	2010
	\$	\$
Consolidated statement of cash flows		
Cash provided by (used in)		
Operating activities	137,184	490,000
Investing activities	(185,216)	(39,127)
Financing activities	48,032	(450,873)
	<u>—</u>	<u>—</u>

The companies which have been proportionately consolidated in these consolidated financial statements and their inclusion rates are as follows:

	Percentage inclusion	
	2011	2010
	%	%
Bond Hog Ventures Ltd.	50	50
Heritage Hogs Limited	50	50
Horizon Livestock & Poultry Supply Ltd.	50	50
JVCO Transport Ltd.	50	50

17. CONCENTRATION OF CREDIT RISK

The Company is, in the normal course of business, exposed to credit risk from its customers, substantially all of which are in the agribusiness industry in Manitoba. Normal credit terms with these customers require payment within seven days of delivery of hogs. The customers have been in compliance with the terms. The Company has also entered into long-term sales agreements with two customers for all its current market hog production. The contracts are subject to termination by either party with a 12-month notice period. Certain contracts expire between August 2012 and August 2015, while others contain evergreen clauses.

The Puratone Corporation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2011.

18. COMMITMENTS AND CONTINGENCIES

Commitments and guarantees

In 2011, The Puratone Corporation was released of all interest in regards to the guarantee of third-party debt.

In prior years, the Company had guaranteed debts and covenanted mortgages of joint ventures and affiliated organizations which were not reflected in these consolidated financial statements. It had also guaranteed debts of certain shareholders. As at September 30, such amounts are summarized as follows:

	2011	2010
	\$	\$
Guaranteed debt of third party	—	633,000

The Company has entered into various contractual commitments with payments which are approximately as follows:

	\$
2012	5,700,000
2013	2,100,000
2014	1,400,000
2015	500,000
2016	500,000
Thereafter	100,000
	<u>10,300,000</u>

Contingencies

The Company is currently involved in various claims and legal proceedings in the normal course and conduct of its business. The amount of the claims and the outcome of these matters are not determinable at this time.

19. RISK MANAGEMENT

In the ordinary course of business, the Company enters into derivative financial instruments and commodity fixed price contracts to reduce the underlying risks associated with fair value and cash flow related to interest, foreign currency and commodity prices.

The Puratone Corporation**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

September 30, 2011

The Company uses foreign exchange forward contracts to manage its currency exposures. The currency exposures relate primarily to U.S. dollar denominated export sales. The Company had foreign exchange forward contracts with a face value of \$4 million [2010 - \$4 million] outstanding at September 30, 2011. Unrealized losses on these contracts at September 30, 2011 totaled \$121,000 [2010 - unrealized gains of \$93,000].

The Company uses several types of contracts including fixed price hog and grain contracts to manage commodity price exposures. Gains or losses on these contracts are not recorded in the consolidated financial statements until realized.

20. INCOME TAXES

The Company's income tax expense (recovery) is calculated as follows:

	2011 \$	2010 \$
Combined federal and provincial income taxes (recovery) at the statutory rate of 28.90% [2010 - 30.38%]	(1,444,330)	1,437,864
Rate difference between combined and substantively enacted rate	(234,284)	322,131
Permanent difference on other income related to debt restructuring	282,372	(701,193)
Recognition of previously unrecorded income tax losses	(133,403)	(718,365)
Dividends on preference shares	21,431	20,859
Income from companies subject to significant influence	(105,350)	(160,013)
Other	195,490	164,398
	<u>(1,418,074)</u>	<u>365,681</u>

The Company has unrecorded income tax losses available for carryforward in the amount of approximately \$17,900,000 [2010 - \$19,200,000] which have not been recognized in the consolidated financial statements. Of these losses, \$16,300,000 [\$15,710,000 USD] [2010 - \$16,200,000 [\$15,707,000 USD]] relate to Puratone (USA) Inc. and \$1,600,000 [2010 - \$3,800,000] relate to Pembina Valley Pigs Ltd. The tax losses expire between 2012 and 2031.

The Puratone Corporation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2011

21. CAPITAL MANAGEMENT

In managing capital, the Company focuses on liquid resources available for operations. The Company's objective is to have sufficient liquid resources to continue despite adverse financial events and to provide it with the flexibility to take advantage of opportunities that will advance its purposes. Cash flows are monitored monthly by management and reviewed quarterly by the Board of Directors. As at and for the year ended September 30, 2011, the Company has met its objectives of having sufficient liquid resources to meet its current obligations.

The Company tracks banking covenants and monitors monthly to ensure compliance with financial covenants. Loan agreements with lenders for both bank indebtedness and long-term debt contain certain restrictive covenants with respect to financial ratios. As at September 30, 2011, the Company was in compliance with these covenants.

22. GOVERNMENT PROGRAM PAYMENTS

During the year, the Company collected program payments that were less than what was accrued and included in accounts receivable at the end of the prior year. The difference of \$446,000 was cleared from accounts receivable and netted against the current year's government program income.

Included in accounts receivable is \$175,328 [2010 - \$2,032,183] of amounts receivable for the Agri-Stability program and included in accounts payable is \$157,203 [2010 - \$33,718] of amounts repayable for overpayments received from the Agri-Stability program.

23. COMPARATIVE CONSOLIDATED FINANCIAL STATEMENTS

Certain comparative figures have been reclassified to conform with the current year's presentation. This includes a decrease to sales and cost of sales of approximately \$6,400,000 related to transactions between business units in the consolidated group identified in the current year due to a system conversion.

**THIS IS EXHIBIT "3" REFERRED TO IN THE
AFFIDAVIT OF RAYMOND ALAN HILDEBRAND
SWORN BEFORE ME AT THE CITY OF WINNIPEG
IN THE PROVINCE OF MANITOBA
THIS 11 DAY OF SEPTEMBER, 2012**



**A NOTARY PUBLIC
in and for the Province of Manitoba**

CONSOLIDATION OF PURATONE CORPORATION

Consolidated Balance Sheet (Unaudited)
As At July-28-12

	<u>Current</u> <u>Balance</u>	<u>Budget</u> <u>Balance</u>	<u>Prior Year</u> <u>Balance</u>
ASSETS			
Current			
Cash	266,701	208,435	969,643
Accounts Receivable	3,847,717	5,547,510	12,363,166
Inventories	20,741,109	20,744,594	21,312,090
Prepaid Expenses	501,712	605,927	538,440
Current Portion of Investments			
Future Income Taxes	1,357,000	432,500	1,261,760
Total Current Assets	26,714,238	27,538,965	36,445,099
Investments	1,248,729	1,563,471	1,236,831
Other Assets	823,871	829,419	875,523
Breeding Stock	8,911,062	9,017,045	8,501,816
Capital Assets	59,602,342	59,893,413	58,531,885
Future Income Taxes	3,784,000	5,270,000	3,504,000
Total Assets	101,084,243	104,112,314	109,095,155
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Bank Indebtedness	13,396,248	7,573,817	7,877,527
Accounts Payable and Accrued Liabilities	11,678,772	9,702,300	17,296,825
Income Tax Payable	(1,848)	12,836	8,922
Dividends Payable	319,763	319,763	245,608
Current Portion of Long Term Debt			
Due Within One Year	5,766,040	5,761,760	5,943,618
Due After One Year	1,157,627	1,158,869	158,307
Current Portion of Advances From Shareholders	29,765	29,765	29,765
Future Income Taxes	15,000		573,000
Total Current Liabilities	32,361,367	24,559,110	32,133,572
Long Term Debt	72,648,546	72,657,922	73,470,957
Future Income Taxes	6,277,103	6,903,963	6,505,861
Non-Controlling Interest	(19,955)	26,767	18,374
Total Liabilities	111,267,061	104,147,762	112,128,764
Advances From Shareholders	1,802,905	1,790,042	1,790,042
Redeemable and Retractable Preference Shares	4,349,258	4,630,754	4,903,280
Total Liabilities to Shareholders	6,152,163	6,420,796	6,693,322
Share Capital	11,546,446	11,546,396	11,546,396
Contributed Surplus	11,898,251	11,712,077	11,603,070
Retained Earnings	(39,779,678)	(29,714,717)	(32,876,397)
Total Shareholders' Equity	(16,334,981)	(6,456,244)	(9,726,931)
Total Shareholders' Interests	(10,182,818)	(35,448)	(3,033,609)
Total Liabilities and Shareholders' Interests	101,084,243	104,112,314	109,095,155

CONSOLIDATION OF PURATONE CORPORATION

Consolidated YTD Income Statement (Unaudited)
For the 10 Months Ending July-28-12

	<i>Current YTD</i>	<i>Budget YTD</i>	<i>Variance of Actual to Budget</i>		<i>Prior YTD</i>	<i>Variance of Actual to Prior</i>	
			<i>\$\$ over/(under)</i>	<i>% over/(under)</i>		<i>\$\$ over/(under)</i>	<i>% over/(under)</i>
Sales (Schedule 1)	87,421,763	97,109,036	(9,687,273)	(10.0%)	84,201,291	3,220,472	3.8%
Cost of Goods Sold (Schedule 1)	81,279,282	81,025,472	253,810	0.3%	74,749,168	6,530,114	8.7%
Gross Profit (Schedule 1)	6,142,481	16,083,564	(9,941,083)	(61.8%)	9,452,123	(3,309,643)	(35.0%)
Other Income (Schedule 2)	1,243,516	1,228,787	14,729	1.2%	753,277	490,239	65.1%
	7,385,996	17,312,351	(9,926,355)	(57.3%)	10,205,400	(2,819,404)	(27.6%)
Selling, General & Administrative Expenses (Schedule 3)	9,415,912	8,851,078	564,834	6.4%	9,115,922	299,990	3.3%
Income (loss) from Operations	(2,029,916)	8,461,273	(10,491,189)	(124.0%)	1,089,478	(3,119,394)	(286.3%)
Interest Expense							
Short Term Interest	286,881	314,173	(27,292)	(8.7%)	180,296	106,585	59.1%
Long Term Interest	3,418,089	3,408,219	9,870	0.3%	3,431,859	(13,769)	(0.4%)
Dividends Paid on Preference Shares		24,718	(24,718)	(100.0%)			0.0%
	3,704,970	3,747,110	(42,140)	(1.1%)	3,612,155	92,815	2.6%
Less: Interest Income	(1,727)		(1,727)	0.0%	43,643	(45,370)	(104.0%)
Net Interest Expense	3,706,697	3,747,110	(40,413)	(1.1%)	3,568,511	138,185	3.9%
Income (loss) before Depreciation and Income Taxes	(5,736,613)	4,714,163	(10,450,775)	(221.7%)	(2,479,034)	(3,257,579)	131.4%
Depreciation	3,853,793	4,142,264	(288,471)	(7.0%)	4,017,619	(163,825)	(4.1%)
Amortization	32,171	39,848	(7,676)	(19.3%)	31,833	338	1.1%
Income (loss) before Income Taxes	(9,622,577)	532,051	(10,154,628)	(1908.6%)	(6,528,485)	(3,094,091)	47.4%
Income Tax Expense							
Current	7,415		7,415	0.0%	17,643	(10,228)	(58.0%)
Future	(50,360)		(50,360)	0.0%	(328,500)	278,141	(84.7%)
	(9,579,633)	532,051	(10,111,684)	(1900.5%)	(6,217,629)	(3,362,004)	54.1%
Non-Controlling Interest in Income	(46,722)		(46,722)	0.0%	(33,030)	(13,692)	41.5%
Net Income (loss)	(9,532,911)	532,051	(10,064,962)	(1891.7%)	(6,184,599)	(3,348,312)	54.1%
Retained Earnings, Beginning of Period	(30,246,768)	(30,246,768)			(26,691,799)		
Retained Earnings, End of Period	(39,779,678)	(29,714,717)			(32,876,397)		

CONSOLIDATION OF PURATONE CORPORATION

Consolidated YTD Income Statement (Unaudited)
For the 10 Months Ending July-28-12

	<i>Current YTD</i>	<i>Budget YTD</i>	<i>Variance of Actual to Budget</i>		<i>Prior YTD</i>	<i>Variance of Actual to Prior</i>	
			<i>\$\$ over/(under)</i>	<i>% over/(under)</i>		<i>\$\$ over/(under)</i>	<i>% over/(under)</i>
Schedule 1: Schedule of Gross Profit							
Sales							
Boar Sales	(1,318)	(21,982)	20,664	(94.0%)	300	(1,618)	(539.3%)
Semen Sales	367,263	425,035	(57,773)	(13.6%)	418,350	(51,087)	(12.2%)
Gilt Sales	978,030	1,180,810	(202,780)	(17.2%)	861,844	116,186	13.5%
Piglets Sales	894,593	946,807	(52,215)	(5.5%)	125,313	769,280	613.9%
Weanling Sales	7,335,742	7,613,719	(277,977)	(3.7%)	6,559,599	776,143	11.8%
Market Hog Sales	56,881,195	63,630,446	(6,749,251)	(10.6%)	53,429,865	3,451,330	6.5%
Feed Sales	14,945,510	14,635,166	310,345	2.1%	15,566,606	(621,095)	(4.0%)
Bagged & Miscellaneous Feed	289,403	173,302	116,100	67.0%	173,406	115,997	66.9%
Medication Sales	913,451	2,792,801	(1,879,350)	(67.3%)	1,409,892	(496,441)	(35.2%)
Fab Shop Equipment Sales	26,491	33,000	(6,509)	(19.7%)	13,057	13,433	102.9%
Equipment and Custom Work	776,435	860,729	(84,294)	(9.8%)	897,398	(120,964)	(13.5%)
Miscellaneous	1,074,089	1,579,500	(505,411)	(32.0%)	974,209	99,880	10.3%
Freight Income	1,878,283	1,747,102	131,182	7.5%	2,045,029	(166,746)	(8.2%)
Washing Income	96,458		96,458	0.0%	127,279	(30,821)	(24.2%)
Bedding Income	23,880		23,880	0.0%	27,554	(3,674)	(13.3%)
Scaling Income	2,818		2,818	0.0%	4,269	(1,451)	(34.0%)
Vet Trailer Inspection Income	4,821		4,821	0.0%	6,960	(2,139)	(30.7%)
Pullet Sales				0.0%	144,051	(144,051)	(100.0%)
Contract Spreading Revenue	646,726	1,068,000	(421,274)	(39.5%)	991,066	(344,340)	(34.7%)
Contract Fee Income				0.0%	(12,500)	12,500	(100.0%)
Other/Custom Work/ Maintenance Revenue	398,529	589,894	(191,365)	(32.4%)	623,415	(224,886)	(36.1%)
Less: Net Discounts Given	(85,726)	(145,292)	59,565	(41.0%)	(204,593)	118,867	(58.1%)
Net HMA Sales	(24,906)		(24,906)	0.0%	18,924	(43,831)	(231.6%)
Total Sales	87,421,763	97,109,036	(9,687,273)	(10.0%)	84,201,291	3,220,472	3.8%
Cost of Goods Sold							
Livestock Purchases (Net)	1,481,584	1,399,476	82,108	5.9%	2,023,494	(541,910)	(26.8%)
Semen Purchases	45,476	30,157	15,319	50.8%	18,012	27,465	152.5%
Royalties Expense	913,121	498,151	414,971	83.3%	804,014	109,107	13.6%
Feed Purchases (including rebates)	480,686	307,028	173,658	56.6%	420,541	60,145	14.3%
Non-Farm Feed Purchases	52,867,427	53,467,945	(600,518)	(1.1%)	46,250,767	6,616,660	14.3%
Cost of Sales	3,710,293	4,596,947	(886,654)	(19.3%)	3,809,816	(99,523)	(2.6%)
Fab Shop Equipment Cost of Sales		24,000	(24,000)	(100.0%)	29,139	(29,139)	(100.0%)
Medication Rebates	(40,294)	(45,333)	5,039	(11.1%)	(52,152)	11,858	(22.7%)
Discounts Earned	(26,907)	(18,500)	(8,407)	45.4%	(17,934)	(8,972)	50.0%
Inventory Change Hogs	395,830	(42,390)	438,220	(1033.8%)	(1,613,952)	2,009,782	(124.5%)
Inventory Change Breeding Herd	(274,316)	(84,828)	(189,488)	223.4%	(1,346,129)	1,071,813	(79.6%)

CONSOLIDATION OF PURATONE CORPORATION

Consolidated YTD Income Statement (Unaudited)
For the 10 Months Ending July-28-12

	<u>Current YTD</u>	<u>Budget YTD</u>	<u>Variance of Actual to Budget</u>		<u>Prior YTD</u>	<u>Variance of Actual to Prior</u>	
			<u>\$\$ over/(under)</u>	<u>% over/(under)</u>		<u>\$\$ over/(under)</u>	<u>% over/(under)</u>
Inventory Change Feed	(62,195)		(62,196)	(27041560.9...	1,193,510	(1,255,705)	(105.2%)
Wages & Bonuses	7,154,635	7,426,564	(271,929)	(3.7%)	7,462,411	(307,776)	(4.1%)
Medication	221,500		221,500	0.0%	190,540	30,961	16.3%
Vet & Lab Services	79,896	76,591	3,305	4.3%	136,400	(56,504)	(41.4%)
Freight	2,786,651	2,670,739	115,912	4.3%	2,558,221	228,430	8.9%
Truck Expenses	1,329,958	1,222,347	107,611	8.8%	1,614,149	(284,191)	(17.6%)
Manure Removal	978,501	1,010,560	(32,060)	(3.2%)	782,843	195,658	25.0%
Soil Testing & Monitoring Expense	12,352	11,885	467	3.9%	7,811	4,541	58.1%
Straw Cover Charges	58,866	20,900	37,966	181.7%	4,958	53,908	1087.3%
Heating Fuel	633,546	819,582	(186,036)	(22.7%)	777,869	(144,323)	(18.6%)
Hydro	1,029,161	997,134	32,027	3.2%	995,657	33,504	3.4%
Water	288,808	110,332	178,476	161.8%	167,761	121,047	72.2%
Repairs & Maintenance	2,051,527	1,751,454	300,072	17.1%	2,107,159	(55,632)	(2.6%)
Plant Expense/Supplies	883,522	820,736	62,787	7.7%	943,760	(60,238)	(6.4%)
Rent & Lease Expenses	21,119	28,515	(7,397)	(25.9%)	42,060	(20,941)	(49.8%)
Contract Work	2,791,722	2,191,214	600,508	27.4%	3,655,741	(864,019)	(23.6%)
Custom Work	235,319	160,612	74,708	46.5%	163,564	71,756	43.9%
Contract Spreading Expense	646,726	1,068,000	(421,274)	(39.5%)	991,066	(344,340)	(34.7%)
Contract Management Expense	113,210	103,150	10,060	9.8%	83,971	29,239	34.8%
Manure Management Expense	35,814	37,212	(1,397)	(3.8%)	36,200	(386)	(1.1%)
Property Taxes	441,991	333,491	108,499	32.5%	405,404	36,587	9.0%
Miscellaneous Charges	(6,249)	31,800	(38,049)	(119.7%)	102,497	(108,746)	(106.1%)
Total cost of Goods sold	81,279,282	81,025,472	253,810	0.3%	74,749,168	6,530,114	8.7%
Gross Profit	6,142,481	16,083,564	(9,941,083)	(61.8%)	9,452,123	(3,309,643)	(35.0%)
Internal Transfers							
Transfers Out	(41,758,532)	(30,614,205)	(11,144,326)	36.4%	(27,205,693)	(14,552,839)	53.5%
Transfers In	41,758,532	30,614,205	11,144,326	36.4%	27,205,693	14,552,839	53.5%
Net Transfers				(100.0%)			0.0%

CONSOLIDATION OF PURATONE CORPORATION

Consolidated YTD Income Statement (Unaudited)
For the 10 Months Ending July-28-12

	<u>Current YTD</u>	<u>Budget YTD</u>	<u>Variance of Actual to Budget</u>		<u>Prior YTD</u>	<u>Variance of Actual to Prior</u>	
			<u>\$\$ over/(under)</u>	<u>% over/(under)</u>		<u>\$\$ over/(under)</u>	<u>% over/(under)</u>

Schedule 2: Schedule of Other Income

Fees and Other Charges							
Management & Administration Fees	297,502	425,068	(127,566)	(30.0%)	301,590	(4,087)	(1.4%)
Marketing Fees				0.0%	15,035	(15,035)	(100.0%)
Feed Commissions				0.0%			0.0%
Wage Revenue	(709)	(42,441)	41,731	(98.3%)		(709)	0.0%
	296,793	382,627	(85,834)	(22.4%)	316,625	(19,832)	(6.3%)
Gains(Losses) Realized on Assets							
Gain(Loss) on disposal of investments				0.0%			0.0%
Gain(Loss) on disposal of capital assets	(19,177)		(19,177)	0.0%	19,244	(38,421)	(199.7%)
Gain(Loss) on disposal of breeding stock	(7,147)		(7,147)	0.0%		(7,147)	0.0%
Gain(Loss) on Financial Instruments				0.0%			0.0%
	(26,324)		(26,324)	0.0%	19,244	(45,568)	(236.8%)
Other							
Miscellaneous Income	821,335	550,087	271,248	49.3%	664,477	156,858	23.6%
Manure Sales	85,590		85,590	0.0%		85,590	0.0%
Foreign Exchange Gains (Losses)	102,005	(3,000)	105,005	(3500.2%)	220,522	(118,517)	(53.7%)
Rental Income	100,323	87,861	12,462	14.2%	51,763	48,560	93.8%
Government Support Program Payments	(17,152)		(17,152)	0.0%	(406,822)	389,671	(95.8%)
Dividend Income	56		56	0.0%	56		0.0%
Income from companies subject to significant influence	(119,111)	211,212	(330,323)	(156.4%)	(112,588)	(6,523)	5.8%
Other				0.0%			(100.0%)
	973,047	846,160	126,887	15.0%	417,407	555,640	133.1%
Total Other Income	1,243,516	1,228,787	14,729	1.2%	753,277	490,239	65.1%

CONSOLIDATION OF PURATONE CORPORATION

Consolidated YTD Income Statement (Unaudited)
For the 10 Months Ending July-28-12

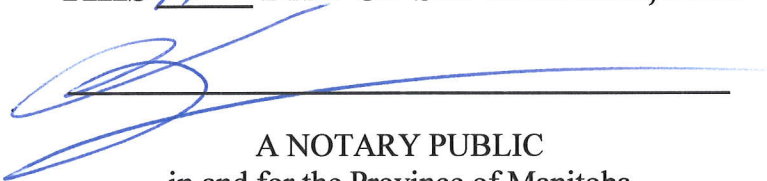
	<i>Current</i>	<i>Budget</i>	<i>Variance of Actual</i>		<i>Prior</i>	<i>Variance of Actual</i>	
	<i>YTD</i>	<i>YTD</i>	<i>to Budget</i>		<i>YTD</i>	<i>to Prior</i>	
			<u><i>\$\$ over/(under)</i></u>	<u><i>% over/(under)</i></u>		<u><i>\$\$ over/(under)</i></u>	<u><i>% over/(under)</i></u>
Schedule 3: Schedule of Selling, General and Administrative Expenses							
Advertising & Promotion	42,737	61,594	(18,857)	(30.6%)	55,754	(13,017)	(23.4%)
Bad Debt and Warranty Expense	215,812	11,490	204,322	1778.3%	54,754	161,058	294.2%
Fees, Dues and Licences	491,423	347,559	143,864	41.4%	356,023	135,400	38.0%
Capital Tax	(5,696)		(5,696)	0.0%	(78,932)	73,237	(92.8%)
Donations	5,103	5,762	(658)	(11.4%)	3,052	2,051	67.2%
Employee Benefits	1,418,211	1,173,424	244,787	20.9%	1,383,898	34,313	2.5%
Employee Perks/Recognition	113,145	122,873	(9,729)	(7.9%)	155,019	(41,874)	(27.0%)
Health & Wellness	3,552	6,250	(2,698)	(43.2%)	2,935	617	21.0%
Training	59,785	257,131	(197,346)	(76.8%)	192,560	(132,775)	(69.0%)
Recruitment	27,253	98,276	(71,023)	(72.3%)	53,499	(26,246)	(49.1%)
Insurance	818,568	786,543	32,025	4.1%	835,416	(16,848)	(2.0%)
Office & Miscellaneous	236,097	308,970	(72,873)	(23.6%)	116,748	119,349	102.2%
Management & Admin Fees	226,519	151,010	75,509	50.0%	187,186	39,333	21.0%
Payroll Tax	214,017	222,358	(8,341)	(3.8%)	230,696	(16,679)	(7.2%)
Professional Fees	628,273	503,144	125,129	24.9%	516,803	111,470	21.6%
Property Tax	48,683	46,911	1,772	3.8%	50,507	(1,824)	(3.6%)
Telephone	275,872	275,028	843	0.3%	266,107	9,765	3.7%
Vehicle and Travel	575,590	445,520	130,070	29.2%	556,211	19,379	3.5%
Vet & Lab	6,315	8,000	(1,685)	(21.1%)	4,247	2,068	48.7%
Wages	3,951,245	4,018,736	(67,491)	(1.7%)	4,065,156	(113,911)	(2.8%)
Bank Charges	63,410	500	62,910	12582.0%	108,285	(44,874)	(41.4%)
Total S.G.&A. Expenses	9,415,912	8,851,078	564,834	6.4%	9,115,922	299,990	3.3%

CONSOLIDATION OF PURATONE CORPORATION

Consolidated Statement of Cash Flows (Unaudited)
For the 10 Months Ending July-28-12

	<u>Current</u>	<u>Budget</u>	<u>Current</u>	<u>Budget</u>	<u>Variance of Actual YTD</u>	
	<u>Month</u>	<u>Month</u>	<u>YTD</u>	<u>YTD</u>	<u>\$ over/(under)</u>	<u>% over/(under)</u>
OPERATING ACTIVITIES						
Net Income	(3,252,135)	489,265	(9,532,911)	532,051	(10,064,962)	(1891.7%)
Add charges (deduct credits) for items not requiring a current cash payment:						
Non-controlling interest in income	(3,634)		(46,722)		(46,722)	0.0%
Depreciation	386,184	414,226	3,853,793	4,142,264	(288,471)	(7.0%)
Amortization of deferred financing costs	3,217	3,985	32,171	39,848	(7,676)	(19.3%)
Amortization of breeding stock and breeding stock adjustments	219,828	219,997	1,542,775	2,199,998	(657,223)	(29.9%)
Amortization of debt discount	84,930	84,522	844,077	845,220	(1,143)	(0.1%)
Loss(gain) on disposal of capital assets	(426)		19,177		19,177	0.0%
Loss(gain) on disposal of breeding stock			7,147		7,147	0.0%
Future income tax expense			(50,360)		(50,360)	0.0%
Income from companies subject to significant influence	89,585	(47,165)	119,111	(211,212)	330,323	(156.4%)
	(2,472,451)	1,164,830	(3,211,741)	7,548,169	(10,759,910)	(142.6%)
Changes in non-cash working capital:						
Accounts receivable	261,224		5,935,113		5,935,113	0.0%
Inventory	2,965,696		3,486		3,486	0.0%
Prepays	(61,786)		104,215		104,215	0.0%
Accounts payable & accrued liabilities	66,294		(2,174,225)		(2,174,225)	0.0%
Income tax payable			(15,386)		(15,386)	0.0%
Dividends payable						0.0%
Net change in non-cash working capital balance	3,231,428		3,853,203		3,853,203	0.0%
Cash Provided by (Used in) Operations	758,976	1,164,830	641,462	7,548,169	(6,906,707)	(91.5%)
INVESTING ACTIVITIES						
Proceeds on disposal of investments	62,862		110,859		110,859	0.0%
Purchase of investments	(12)		(147,512)		(147,512)	0.0%
Proceeds on disposal of other assets			19,484		19,484	0.0%
Purchase of other assets			(6,258)		(6,258)	0.0%
Proceeds on disposal of breeding stock	113,876		1,893,819	360,662	1,533,157	425.1%
Purchase of breeding stock	(388,060)	(258,421)	(3,361,307)	(2,584,210)	(777,097)	30.1%
Proceeds on disposal of capital assets	9,484		471,822		471,822	0.0%
Purchase of capital assets	(546,129)	(392,215)	(3,833,597)	(3,922,146)	88,549	(2.3%)
Cash Provided by (Used in) Investing activities	(747,979)	(650,636)	(4,852,690)	(6,145,694)	1,293,004	(21.0%)
FINANCING ACTIVITIES						
Increase/(Decrease) in bank indebtedness	192,168	(164,556)	6,989,568	1,198,763	5,790,805	483.1%
Long-term debt advances	86,684	39,500	306,419	395,000	(88,581)	(22.4%)
Repayment of long-term debt	(35,207)	(284,921)	(2,737,617)	(2,821,008)	83,391	(3.0%)
Redemption of preference shares	(62,902)	(21,116)	(492,655)	(211,159)	(281,496)	133.3%
Issuance of common stock			50		50	0.0%
Addition to contributed surplus	25,161	8,446	270,635	84,460	186,175	220.4%
Change in retained earnings	(50,000)		(50,000)		(50,000)	0.0%
Cash Provided by (Used in) Financing activities	155,904	(422,647)	4,286,400	(1,353,944)	5,640,344	(416.6%)
Net Increase (Decrease) in Cash	166,902	91,548	75,172	48,532	26,640	54.9%
Cash - Beginning of Period	99,799	116,887	191,529	159,903	31,626	19.8%
Cash - End of Period	266,701	208,435	266,701	208,435	58,266	28.0%

**THIS IS EXHIBIT "4A" REFERRED TO IN THE
AFFIDAVIT OF RAYMOND ALAN HILDEBRAND
SWORN BEFORE ME AT THE CITY OF WINNIPEG
IN THE PROVINCE OF MANITOBA
THIS 11th DAY OF SEPTEMBER, 2012**



**A NOTARY PUBLIC
in and for the Province of Manitoba**

The Puratone Corporation

Balance Sheet (Unaudited)
As At July-28-12

	<u>Current Balance</u>	<u>Budget Balance</u>	<u>Prior Year Balance</u>
ASSETS			
Current			
Cash			
Accounts Receivable	4,992,563	2,929,389	9,047,767
Inventories	16,140,015	14,677,295	16,590,730
Prepaid Expenses	443,941	395,203	300,211
Current Portion of Investments	1,203,391	575,692	835,217
Future Income Taxes	1,260,000	578,000	1,429,564
Total Current Assets	24,039,910	19,155,578	28,203,489
Investments	23,683,823	28,918,966	24,964,948
Other Assets	676,349	683,398	731,825
Breeding Stock	6,185,617	6,178,818	5,962,067
Capital Assets	41,444,071	42,198,365	40,566,141
Future Income Taxes	3,784,000	4,321,000	2,961,000
Total Assets	99,813,770	101,456,125	103,389,471

LIABILITIES AND SHAREHOLDERS' EQUITY

Current			
Bank Indebtedness	12,712,839	8,014,290	6,804,838
Accounts Payable and Accrued Liabilities	11,139,676	7,715,856	13,239,866
Dividends Payable	319,763	319,763	245,608
Current Portion of Long Term Debt			
Due Within One Year	5,588,214	4,488,214	5,150,188
Due After One Year	1,100,000	1,100,000	
Current Portion of Advances From Shareholders	29,765	29,765	29,765
Total Current Liabilities	30,890,257	21,667,888	25,470,265
Long Term Debt	73,366,329	74,229,388	74,633,938
Future Income Taxes	5,740,000	5,594,300	6,157,000
Total Liabilities	109,996,586	101,491,576	106,261,203

Advances From Shareholders	1,802,905	1,790,042	1,790,042
Redeemable and Retractable Preference Shares	4,349,258	4,630,754	4,903,280
Total Liabilities to Shareholders	6,152,163	6,420,795	6,693,321
Share Capital	11,546,446	11,546,396	11,546,396
Contributed Surplus	11,898,251	11,712,077	11,603,070
Retained Earnings	(39,779,676)	(29,714,720)	(32,714,520)
Total Shareholders' Equity	(16,334,979)	(6,456,247)	(9,565,054)
Total Shareholders' Interests	(10,182,816)	(35,451)	(2,871,733)

Total Liabilities and Shareholders' Interests	99,813,770	101,456,125	103,389,471
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The Puratone Corporation

YTD Income Statement (Unaudited)
For the 10 Months Ending July-28-12

	<u>Current YTD</u>	<u>Budget YTD</u>	<u>Variance of Actual to Budget</u>		<u>Prior Year YTD</u>	<u>Variance of Actual to Prior</u>	
			<u>\$\$ over/(under)</u>	<u>% over/(under)</u>		<u>\$\$ over/(under)</u>	<u>% over/(under)</u>
Sales (Schedule 1)	81,723,424	89,219,064	(7,495,640)	(8.4%)	77,430,663	4,292,762	5.5%
Cost of Goods Sold (Schedule 1)	77,397,635	77,572,073	(174,438)	(0.2%)	71,113,237	6,284,398	8.8%
Gross Profit (Schedule 1)	4,325,789	11,646,992	(7,321,202)	(62.9%)	6,317,426	(1,991,637)	(31.5%)
Other Income	(314,746)	2,364,352	(2,679,099)	(113.3%)	1,088,943	(1,403,689)	(128.9%)
	4,011,043	14,011,344	(10,000,301)	(71.4%)	7,406,369	(3,395,326)	(45.8%)
Selling, General & Administrative Expenses (Schedule 2)	7,846,775	7,394,875	451,900	6.1%	7,743,546	103,229	1.3%
Income (loss) from Operations	(3,835,732)	6,616,469	(10,452,201)	(158.0%)	(337,177)	(3,498,555)	1037.6%
Interest Expense							
Short Term Interest	263,705	282,048	(18,343)	(6.5%)	153,508	110,197	71.8%
Long Term Interest	3,340,089	3,336,584	3,505	0.1%	3,350,688	(10,599)	(0.3%)
Dividends Paid on Pref. Shares		24,718	(24,718)	(100.0%)			0.0%
	3,603,794	3,643,350	(39,556)	(1.1%)	3,504,195	99,598	2.8%
Less: Interest Income	710,449	750,000	(39,551)	(5.3%)	769,422	(58,973)	(7.7%)
Net Interest Expense	2,893,345	2,893,350	(5)	0.0%	2,734,773	158,572	5.8%
Income (loss) before Depreciation and Income Taxes	(6,729,077)	3,723,119	(10,452,196)	(280.7%)	(3,071,951)	(3,657,126)	119.1%
Depreciation	2,771,662	3,151,226	(379,564)	(12.0%)	2,918,938	(147,276)	(5.1%)
Amortization	32,171	39,848	(7,676)	(19.3%)	31,833	338	1.1%
Income (loss) before Income Taxes	(9,532,910)	532,046	(10,064,956)	(1891.7%)	(6,022,722)	(3,510,188)	58.3%
Income Tax Expense							
Current							
Future							
Net Income (loss)	(9,532,910)	532,046	(10,064,956)	(1891.7%)	(6,022,722)	(3,510,188)	58.3%
Retained Earnings, Beginning of Period	(30,246,766)				(26,691,798)		
Retained Earnings, End of Period	(39,779,676)				(32,714,520)		

The Puratone Corporation

YTD Income Statement (Unaudited)
For the 10 Months Ending July-28-12

	<u>Current YTD</u>	<u>Budget YTD</u>	<u>Variance of Actual to Budget</u>		<u>Prior Year YTD</u>	<u>Variance of Actual to Prior</u>	
			<u>\$\$ over/(under)</u>	<u>% over/(under)</u>		<u>\$\$ over/(under)</u>	<u>% over/(under)</u>
Schedule 1: Schedule of Gross Profit							
Sales							
Boar Sales	610	(14,064)	14,674	(104.3%)	300	310	103.3%
Semen Sales	274,227	180,187	94,040	52.2%	176,788	97,440	55.1%
Gift Sales	1,320,134	1,630,505	(310,371)	(19.0%)	1,187,792	132,343	11.1%
Piglets Sales	1,107,270	1,341,116	(233,846)	(17.4%)	434,827	672,443	154.7%
Weanling Sales	12,578,085	13,279,195	(701,110)	(5.3%)	11,112,984	1,465,101	13.2%
Market Hog Sales	38,126,526	44,096,316	(5,969,790)	(13.5%)	36,385,196	1,741,330	4.8%
Feed Sales	26,130,921	26,489,106	(358,185)	(1.4%)	25,496,942	633,979	2.5%
Fab Shop Equipment Sales	26,491	33,000	(6,509)	(19.7%)	13,057	13,433	102.9%
Freight Income	1,870,681	1,738,102	132,580	7.6%	2,039,251	(168,570)	(8.3%)
Bird Sales				0.0%	144,051	(144,051)	(100.0%)
Other/Custom Work/ Maintenance							
Revenue	398,529	589,894	(191,365)	(32.4%)	623,415	(224,886)	(36.1%)
Less: Net Discounts Given	(85,144)	(144,292)	59,148	(41.0%)	(202,865)	117,721	(58.0%)
Net HMA Sales	(24,906)	(24,906)	(24,906)	0.0%	18,924	(43,831)	(231.6%)
Total Sales	81,723,424	89,219,064	(7,495,640)	(8.4%)	77,430,663	4,292,762	5.5%
Cost of Goods Sold							
Livestock Purchases (Net)	7,205,201	7,335,154	(129,953)	(1.8%)	6,966,389	238,813	3.4%
Pullet Purchases				0.0%	142,748	(142,748)	(100.0%)
Semen Purchases	43,847	67,556	(23,710)	(35.1%)	18,012	25,835	143.4%
Royalties Expense	705,992	403,651	302,341	74.9%	628,251	77,741	12.4%
Feed Purchases (including rebates)	344,795	172,617	172,178	99.8%	302,378	42,417	14.0%
Non-Farm Feed Purchases	52,867,427	53,467,945	(600,518)	(1.1%)	46,250,767	6,616,660	14.3%
Fab Shop Equipment Cost of Sales		24,000	(24,000)	(100.0%)	29,139	(29,139)	(100.0%)
Medication Rebates	(40,294)	(45,333)	5,039	(11.1%)	(52,152)	11,858	(22.7%)
Inventory Change Hogs	(1,283,486)		(1,283,486)	0.0%	(2,307,339)	1,023,853	(44.4%)
Inventory Change Breeding Herd	(263,718)	(84,828)	(178,890)	210.9%	(1,057,203)	793,485	(75.1%)
Inventory Change Feed	(104,472)		(104,473)	(45422865.2...)	1,211,516	(1,315,988)	(108.6%)
Wages & Bonuses	5,153,720	5,409,999	(256,280)	(4.7%)	5,321,959	(168,239)	(3.2%)
Medication	1,327,793	92,199	1,235,594	1340.1%	1,145,025	182,768	16.0%
Vet & Lab Services	53,238	61,706	(8,468)	(13.7%)	79,516	(26,278)	(33.1%)
Freight	2,570,897	2,651,326	(80,430)	(3.0%)	2,590,176	(19,279)	(0.7%)
Truck Expenses	788,899	817,503	(28,604)	(3.5%)	1,042,359	(253,461)	(24.3%)
Manure Removal	1,228,340	1,191,331	37,009	3.1%	966,200	262,140	27.1%
Heating Fuel	448,314	677,327	(229,013)	(33.8%)	619,549	(171,235)	(27.6%)
Hydro	765,824	769,153	(3,329)	(0.4%)	738,937	26,887	3.6%
Water	84,997	63,167	21,830	34.6%	85,458	(461)	(0.5%)

The Puratone Corporation

YTD Income Statement (Unaudited)
For the 10 Months Ending July-28-12

	<i>Current YTD</i>	<i>Budget YTD</i>	<i>Variance of Actual to Budget</i>		<i>Prior Year YTD</i>	<i>Variance of Actual to Prior</i>	
			<i>\$\$ over/(under)</i>	<i>% over/(under)</i>		<i>\$\$ over/(under)</i>	<i>% over/(under)</i>
Repairs & Maintenance	1,455,485	1,213,529	241,956	19.9%	1,552,588	(97,104)	(6.3%)
Plant Expense/Supplies	594,681	552,380	42,302	7.7%	632,472	(37,791)	(6.0%)
Rent & Lease Expenses	14,900	16,373	(1,473)	(9.0%)	30,503	(15,604)	(51.2%)
Contract Work	2,958,642	2,345,083	613,559	26.2%	3,670,094	(711,451)	(19.4%)
Custom Work	177,191	99,008	78,184	79.0%	114,655	62,536	54.5%
Property Taxes	313,664	239,425	74,239	31.0%	288,742	24,922	8.6%
Miscellaneous Charges	(14,242)	31,800	(46,042)	(144.8%)	102,497	(116,740)	(113.9%)
Total cost of Goods sold	77,397,635	77,572,073	(174,438)	(0.2%)	71,113,237	6,284,398	8.8%
Gross Profit	4,325,789	11,646,992	(7,321,202)	(62.9%)	6,317,426	(1,991,637)	(31.5%)
Internal Transfers							
Transfers Out	(39,416,965)	(28,397,541)	(11,019,424)	38.8%	(24,682,897)	(14,734,068)	59.7%
Transfers In	39,416,965	28,397,541	11,019,425	38.8%	24,682,897	14,734,068	59.7%

The Puratone Corporation

YTD Income Statement (Unaudited)
For the 10 Months Ending July-28-12

	<u>Current</u> <u>YTD</u>	<u>Budget</u> <u>YTD</u>	<u>Variance of Actual</u> <u>to Budget</u>		<u>Prior Year</u> <u>YTD</u>	<u>Variance of Actual</u> <u>to Prior</u>	
			<u>\$\$ over/(under)</u>	<u>% over/(under)</u>		<u>\$\$ over/(under)</u>	<u>% over/(under)</u>
Schedule 2: Schedule of Selling, General and Administrative Expenses							
Advertising & Promotion	17,094	16,106	987	6.1%	30,474	(13,381)	(43.9%)
Bad Debt and Warranty Expense	213,476		213,476	0.0%	45,080	168,395	373.5%
Fees, Dues and Licences	480,054	336,234	143,820	42.8%	343,432	136,623	39.8%
Capital Tax	(5,066)		(5,066)	0.0%	20,000	(25,066)	(125.3%)
Donations	5,103	4,962	142	2.9%	2,847	2,257	79.3%
Employee Benefits	1,145,849	941,626	204,223	21.7%	1,092,422	53,427	4.9%
Employee Perks/Recognition	82,870	111,514	(28,644)	(25.7%)	134,516	(51,646)	(38.4%)
Health & Wellness	3,552	6,250	(2,698)	(43.2%)	2,935	617	21.0%
Training	61,517	227,898	(166,381)	(73.0%)	161,219	(99,702)	(61.8%)
Recruitment	18,126	96,359	(78,233)	(81.2%)	40,206	(22,081)	(54.9%)
Insurance	557,164	543,695	13,469	2.5%	573,096	(15,932)	(2.8%)
Office & Miscellaneous	193,602	264,397	(70,796)	(26.8%)	91,555	102,047	111.5%
Payroll Tax	178,152	185,909	(7,757)	(4.2%)	190,035	(11,884)	(6.3%)
Professional Fees	569,744	456,283	113,461	24.9%	480,228	89,516	18.6%
Property Tax	23,625	31,859	(8,234)	(25.8%)	35,459	(11,834)	(33.4%)
Telephone	217,421	211,653	5,768	2.7%	211,368	6,052	2.9%
Vehicle and Travel	446,766	337,095	109,670	32.5%	444,369	2,397	0.5%
Wages	3,580,516	3,623,036	(42,520)	(1.2%)	3,743,237	(162,721)	(4.4%)
Bank Charges	57,212		57,212	0.0%	101,069	(43,857)	(43.4%)
Total S.G.&A. Expenses	7,846,775	7,394,875	451,900	6.1%	7,743,546	103,229	1.3%

The Puratone Corporation

YTD Income Statement (Unaudited)
For the 10 Months Ending July-28-12

	<u>Current</u>	<u>Budget</u>	<u>Variance of Actual</u>		<u>Prior Year</u>	<u>Variance of Actual</u>	
	<u>YTD</u>	<u>YTD</u>	<u>to Budget</u>	<u>to Budget</u>	<u>YTD</u>	<u>to Prior</u>	<u>to Prior</u>
			<u>\$\$ over/(under)</u>	<u>% over/(under)</u>		<u>\$\$ over/(under)</u>	<u>% over/(under)</u>

Schedule 3: Quantities and Average Prices

Sales

Sales Revenue - Boars	\$610		\$610	0.0%	\$300	\$310	103.3%
Sales Revenue - Semen	\$274,359	\$498,186	(\$223,827)	(44.9%)	\$519,315	(\$244,956)	(47.2%)
Sales Revenue - Gilts	\$1,320,134	\$4,063,217	(\$2,743,082)	(67.5%)	\$1,180,388	\$139,746	11.8%
Sales Revenue - Piglets	\$2,742,470	\$7,913,096	(\$5,170,626)	(65.3%)	\$6,854,443	(\$4,111,973)	(60.0%)
Sales Revenue - Weanlings	\$14,456,790	\$25,941,723	(\$11,484,932)	(44.3%)	\$21,609,770	(\$7,152,980)	(33.1%)
Sales Revenue - Market Hogs	\$37,666,038	\$43,632,870	(\$5,966,832)	(13.7%)	\$35,826,759	\$1,839,279	5.1%
Sales Revenue - Light Hogs	\$460,488	\$463,446	(\$2,958)	(0.6%)	\$556,508	(\$96,020)	(17.3%)
Total Livestock Revenue	\$56,920,890	\$82,512,538	(\$25,591,647)	(31.0%)	\$66,547,484	(\$9,626,594)	(14.5%)
Units Sold - Boars	2		2	0.0%	1	1	100.0%
Units Sold - Semen	59,286	119,215	(59,929)	(50.3%)	117,113	(57,827)	(49.4%)
Units Sold - Gilts	4,029	11,055	(7,026)	(63.6%)	3,777	252	6.7%
Units Sold - Piglets	82,459	182,544	(100,085)	(54.8%)	213,248	(130,789)	(61.3%)
Units Sold - Weanlings	241,599	390,058	(148,459)	(38.1%)	381,403	(139,804)	(36.7%)
Units Sold - Market Hogs	215,678	242,396	(26,718)	(11.0%)	228,294	(12,616)	(5.5%)
Units Sold - Light Hogs	8,556	7,387	1,169	15.8%	9,776	(1,220)	(12.5%)
Average Sales Price - Boars	\$305.00		\$305.00	0.0%	\$300.00	\$5.00	1.7%
Average Sales Price - Semen	\$4.63	\$4.18	\$0.45	10.7%	\$4.43	\$0.19	4.4%
Average Sales Price - Gilts	\$327.66	\$367.56	(\$39.90)	(10.9%)	\$312.52	\$15.14	4.8%
Average Sales Price - Piglets	\$33.26	\$43.35	(\$10.09)	(23.3%)	\$32.14	\$1.12	3.5%
Average Sales Price - Weanlings	\$59.84	\$66.51	(\$6.67)	(10.0%)	\$56.66	\$3.18	5.6%
Average Sales Price - Market Hogs	\$174.64	\$180.01	(\$5.37)	(3.0%)	\$156.93	\$17.71	11.3%
Average Sales Price - Light Hogs	\$53.82	\$62.74	(\$8.92)	(14.2%)	\$56.93	(\$3.11)	(5.5%)
Total Average Sales Price - Market & Light Hogs	\$170.03	\$176.54	(\$6.51)	(3.7%)	\$152.83	\$17.20	11.3%

Purchases

Purchases - Boars	\$225,795	\$347,489	(\$121,694)	(35.0%)	\$99,116	\$126,679	127.8%
Recovered Cost - Cull Sales	(\$1,059,040)	(\$1,726,513)	\$667,473	(38.7%)	(\$997,029)	(\$62,011)	6.2%
Purchases - Gilts	\$263,066	\$2,631,192	(\$2,368,127)	(90.0%)	\$493,310	(\$230,245)	(46.7%)
Purchases - Piglets	\$9,336,302	\$14,485,076	(\$5,148,774)	(35.6%)	\$13,665,605	(\$4,329,303)	(31.7%)
Purchases - Weanlings	\$1,723,647	\$13,192,738	(\$11,469,091)	(86.9%)	\$10,477,886	(\$8,754,239)	(83.6%)
Total Livestock Purchases	\$10,489,769	\$28,929,982	(\$18,440,212)	(63.7%)	\$23,738,888	(\$13,249,118)	(55.8%)
Purchases - Semen	\$43,979	\$385,555	(\$341,577)	(88.6%)	\$360,539	(\$316,561)	(87.8%)

The Puratone Corporation

YTD Income Statement (Unaudited)
For the 10 Months Ending July-28-12

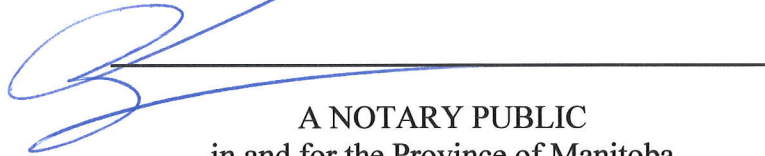
	<u>Current YTD</u>	<u>Budget YTD</u>	<u>Variance of Actual to Budget</u>		<u>Prior Year YTD</u>	<u>Variance of Actual to Prior</u>	
			<u>\$\$ over/(under)</u>	<u>% over/(under)</u>		<u>\$\$ over/(under)</u>	<u>% over/(under)</u>
Units Purchased - Boars	72	188	(116)	(61.7%)	106	(34)	(32.1%)
Units Sold - Culls	5,631	6,003	(372)	(6.2%)	6,320	(689)	(10.9%)
Units Purchased - Gilts	1,451	7,160	(5,709)	(79.7%)	2,542	(1,091)	(42.9%)
Units Purchased - Piglets	238,189	334,150	(95,961)	(28.7%)	385,898	(147,709)	(38.3%)
Units Purchased - Weanlings	30,518	194,134	(163,616)	(84.3%)	191,751	(161,233)	(84.1%)
Units Purchased - Semen	7,464	87,626	(80,162)	(91.5%)	77,642	(70,178)	(90.4%)
Average Purchase Price - Boars	\$3,136.04	\$1,848.05	\$1,287.99	69.7%	\$935.06	\$2,200.98	235.4%
Average Sales Price - Culls	\$188.07	\$287.63	(\$99.55)	(34.6%)	\$157.76	\$30.32	19.2%
Average Purchase Price - Gilts	\$181.30	\$367.49	(\$186.19)	(50.7%)	\$194.06	(\$12.76)	(6.6%)
Average Purchase Price - Piglets	\$39.20	\$43.35	(\$4.15)	(9.6%)	\$35.41	\$3.78	10.7%
Average Purchase Price - Weanlings	\$56.48	\$67.96	(\$11.48)	(16.9%)	\$54.64	\$1.84	3.4%
Average Purchase Price - Semen	\$5.89	\$4.40	\$1.49	33.9%	\$4.64	\$1.25	26.9%

The Puratone Corporation

Statement of Cash Flows (Unaudited)
For the 10 Months Ending July-28-12

	<u>Current Month</u>	<u>Budget Month</u>	<u>Current YTD</u>	<u>Budget YTD</u>	<u>Variance of Actual YTD to Budget YTD</u>	
					<u>\$\$ over/(under)</u>	<u>% over/(under)</u>
OPERATING ACTIVITIES						
Net Income	(3,252,135)	489,264	(9,532,910)	532,046	(10,064,957)	(1891.7%)
Add charges (deduct credits) for items not requiring a current cash payment:						
Depreciation	278,047	315,122	2,771,662	3,151,226	(379,564)	(12.0%)
Amortization of deferred financing costs	3,217	3,985	32,171	39,848	(7,676)	(19.3%)
Amortization of breeding stock and breeding stock adjustments	185,905	151,016	972,147	1,510,187	(538,040)	(35.6%)
Amortization of debt discount	83,383	82,949	828,273	829,490	(1,217)	(0.2%)
Loss(gain) on disposal of capital assets	(426)		53,575		53,575	0.0%
Loss(gain) on disposal of breeding stock			7,147		7,147	0.0%
Income from companies subject to significant influence	719,711	(332,989)	1,580,695	(1,168,993)	2,749,687	(235.2%)
	(1,982,297)	709,347	(3,287,240)	4,893,804	(8,181,044)	(167.2%)
Changes in non-cash working capital:						
Accounts receivable	1,182,046		2,172,147		2,172,147	0.0%
Inventory	870,325		(1,462,720)		(1,462,720)	0.0%
Prepays	(27,481)		(48,739)		(48,739)	0.0%
Accounts payable & accrued liabilities	165,960		(810,800)		(810,800)	0.0%
Dividends payable						0.0%
Net change in non-cash working capital balance	2,190,850		(150,112)		(150,112)	0.0%
Cash Provided by (Used in) Operations	208,553	709,347	(3,437,352)	4,893,804	(8,331,156)	(170.2%)
INVESTING ACTIVITIES						
Proceeds on disposal of investments	(275,745)		2,005,262		2,005,262	0.0%
Purchase of investments	(12)		(147,512)		(147,512)	0.0%
Proceeds on disposal of other assets			18,049		18,049	0.0%
Purchase of other assets			(3,322)		(3,322)	0.0%
Proceeds on disposal of breeding stock	93,253		1,407,445	360,662	1,046,783	290.2%
Purchase of breeding stock	(231,328)	(177,390)	(2,296,587)	(1,773,900)	(522,687)	29.5%
Proceeds on disposal of capital assets	9,484		387,216		387,216	0.0%
Purchase of capital assets	(183,627)	(308,571)	(2,392,645)	(3,085,711)	693,065	(22.5%)
Cash Provided by (Used in) Investing activities	(587,975)	(485,961)	(1,022,094)	(4,498,949)	3,476,854	(77.3%)
FINANCING ACTIVITIES						
Increase/(Decrease) in bank indebtedness	340,599	45,217	6,864,457	2,165,909	4,698,548	216.9%
Long-term debt advances	86,684	34,875	285,584	348,750	(63,166)	(18.1%)
Repayment of long-term debt	(22,983)	(290,808)	(2,481,488)	(2,782,815)	301,327	(10.8%)
Increase (Decrease) in shareholder advances	12,863		12,863		12,863	0.0%
Redemption of preference shares	(62,902)	(21,116)	(492,655)	(211,159)	(281,496)	133.3%
Issuance of common stock			50		50	0.0%
Addition to contributed surplus	25,161	8,446	270,635	84,460	186,175	220.4%
Change in retained earnings						0.0%
Cash Provided by (Used in) Financing activities	379,422	(223,386)	4,459,446	(394,855)	4,854,301	(1229.4%)
Net Increase (Decrease) in Cash						236.4%
Cash - Beginning of Period						0.0%
Cash - End of Period						236.4%

**THIS IS EXHIBIT "4B" REFERRED TO IN THE
AFFIDAVIT OF RAYMOND ALAN HILDEBRAND
SWORN BEFORE ME AT THE CITY OF WINNIPEG
IN THE PROVINCE OF MANITOBA
THIS 11 DAY OF SEPTEMBER, 2012**



A NOTARY PUBLIC
in and for the Province of Manitoba

Pembina Valley Pigs

Balance Sheet (Unaudited)
As At July-28-12

	<u>Current Balance</u>	<u>Budget Balance</u>	<u>Prior Year Balance</u>
ASSETS			
Current			
Cash	4,617	807,866	37,175
Accounts Receivable	1,174,800	1,235,190	1,614,660
Inventories	2,070,464	3,556,581	2,354,288
Prepaid Expenses	3,970	131,500	162,801
Future Income Taxes	101,000		1,196
Total Current Assets	<u>3,354,851</u>	<u>5,731,137</u>	<u>4,170,120</u>
Investments	2,040,061	2,040,061	2,040,061
Other Assets	131,240	130,717	128,374
Breeding Stock	2,725,445	2,838,227	2,539,749
Capital Assets	11,364,502	11,394,508	11,775,394
Future Income Taxes		949,000	543,000
Total Assets	<u>19,616,099</u>	<u>23,083,650</u>	<u>21,196,699</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current			
Bank Indebtedness			
Accounts Payable and Accrued Liabilities	2,616,680	755,434	2,243,026
Current Portion of Long Term Debt			
Due Within One Year		1,100,000	494,203
Future Income Taxes			573,000
Total Current Liabilities	<u>2,616,680</u>	<u>1,855,434</u>	<u>3,310,229</u>
Long Term Debt	14,333,380	15,967,449	14,824,453
Future Income Taxes	73,000	949,000	
Total Liabilities	<u>17,023,060</u>	<u>18,771,883</u>	<u>18,134,682</u>

Redeemable and Retractable Preference Shares	1,622,050	1,622,050	1,622,050
Total Liabilities to Shareholders	<u>1,622,050</u>	<u>1,622,050</u>	<u>1,622,050</u>
Share Capital	2,002,522	2,002,522	2,002,522
Retained Earnings	(1,031,533)	687,195	(562,554)
Total Shareholders' Equity	<u>970,989</u>	<u>2,689,717</u>	<u>1,439,968</u>
Total Shareholders' Interests	<u>2,593,039</u>	<u>4,311,767</u>	<u>3,062,018</u>

Total Liabilities and Shareholders' Interests	<u>19,616,099</u>	<u>23,083,650</u>	<u>21,196,699</u>
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Pembina Valley Pigs

YTD Income Statement (Unaudited)
For the 7 Months Ending July-28-12

	<u>Current YTD</u>	<u>Budget YTD</u>	<u>Variance of Actual to Budget</u>		<u>Prior Year YTD</u>	<u>Variance of Actual to Prior</u>	
			<u>\$\$ over/(under)</u>	<u>% over/(under)</u>		<u>\$\$ over/(under)</u>	<u>% over/(under)</u>
Sales (Schedule 1)	12,030,239	12,227,252	(197,013)	(1.6%)	10,961,030	1,069,210	9.8%
Cost of Goods Sold (Schedule 1)	11,909,698	10,284,004	1,625,694	15.8%	9,576,048	2,333,650	24.4%
Gross Profit (Schedule 1)	120,541	1,943,248	(1,822,707)	(93.8%)	1,384,982	(1,264,441)	(91.3%)
Other Income	89,777	21,782	67,995	312.2%	124,954	(35,176)	(28.2%)
	210,318	1,965,030	(1,754,712)	(89.3%)	1,509,935	(1,299,617)	(86.1%)
Selling, General & Administrative Expenses (Schedule 2)	390,806	329,699	61,107	18.5%	429,706	(38,901)	(9.1%)
Income (loss) from Operations	(180,488)	1,635,331	(1,815,819)	(111.0%)	1,080,229	(1,260,717)	(116.7%)
Interest Expense							
Short Term Interest	3,589		3,589	0.0%	3,477	112	3.2%
Long Term Interest	438,275	474,222	(35,947)	(7.6%)	466,895	(28,620)	(6.1%)
	441,864	474,222	(32,358)	(6.8%)	470,372	(28,508)	(6.1%)
Less: Interest Income	1		1	0.0%	419	(418)	(99.8%)
Net Interest Expense	441,863	474,222	(32,359)	(6.8%)	469,953	(28,090)	(6.0%)
Income (loss) before Depreciation and Income Taxes	(622,351)	1,161,109	(1,783,460)	(153.6%)	610,276	(1,232,627)	(202.0%)
Depreciation	359,718	374,795	(15,077)	(4.0%)	378,381	(18,663)	(4.9%)
Income (loss) before Income Taxes	(982,069)	786,314	(1,768,383)	(224.9%)	231,894	(1,213,963)	(523.5%)
Income Tax Expense							
Current							
Future							
Net Income (loss)	(982,069)	786,314	(1,768,383)	(224.9%)	231,894	(1,213,963)	(523.5%)
Retained Earnings, Beginning of Period	(49,464)				(794,449)		
Retained Earnings, End of Period	(1,031,533)				(562,554)		

Pembina Valley Pigs

YTD Income Statement (Unaudited)
For the 7 Months Ending July-28-12

	<u>Current YTD</u>	<u>Budget YTD</u>	<u>Variance of Actual to Budget</u>		<u>Prior Year YTD</u>	<u>Variance of Actual to Prior</u>	
			<u>\$\$ over/(under)</u>	<u>% over/(under)</u>		<u>\$\$ over/(under)</u>	<u>% over/(under)</u>
Schedule 1: Schedule of Gross Profit							
Sales							
Boar Sales		(3,039)	3,039	(100.0%)			0.0%
Semen Sales	129,698	302,434	(172,735)	(57.1%)	233,481	(103,783)	(44.5%)
Gilt Sales		119,429	(119,429)	(100.0%)			0.0%
Piglets Sales	3,666,868	3,834,741	(167,873)	(4.4%)	3,416,524	250,344	7.3%
Weanling Sales	311,500		311,500	0.0%		311,500	0.0%
Market Hog Sales	7,914,173	7,973,687	(59,514)	(0.8%)	7,311,024	603,149	8.3%
Contract Fee Income	8,000		8,000	0.0%		8,000	0.0%
Total Sales	12,030,239	12,227,252	(197,013)	(1.6%)	10,961,030	1,069,210	9.8%
Cost of Goods Sold							
Livestock Purchases (Net)	2,357,383	2,017,616	339,767	16.8%	1,743,250	614,133	35.2%
Semen Purchases	114,772	105,517	9,256	8.8%	59,087	55,685	94.2%
Royalties Expense	146,411	65,978	80,433	121.9%	127,052	19,360	15.2%
Feed Purchases (including rebates)	5,394,155	5,660,553	(266,398)	(4.7%)	4,823,422	570,732	11.8%
Inventory Change Hogs	1,251,008	(29,673)	1,280,681	(4316.0%)	444,638	806,370	181.4%
Inventory Change Breeding Herd	(113,663)		(113,663)	0.0%	(220,960)	107,297	(48.6%)
Inventory Change Feed	(223)		(223)	0.0%	28,054	(28,277)	(100.8%)
Wages & Bonuses	968,234	960,665	7,568	0.8%	1,012,886	(44,652)	(4.4%)
Medication	198,692	235,372	(36,680)	(15.6%)	144,675	54,017	37.3%
Vet & Lab Services	2,476	10,385	(7,909)	(76.2%)	20,042	(17,566)	(87.7%)
Freight	462,858	455,195	7,664	1.7%	385,458	77,401	20.1%
Truck Expenses		805	(805)	(100.0%)			0.0%
Manure Removal	238,145	211,645	26,500	12.5%	223,709	14,435	6.5%
Heating Fuel	98,336	59,426	38,911	65.5%	90,306	8,030	8.9%
Hydro	136,316	92,526	43,790	47.3%	133,318	2,998	2.3%
Water	173,489	32,647	140,843	431.4%	70,042	103,447	147.7%
Repairs & Maintenance	221,858	181,500	40,358	22.2%	233,516	(11,658)	(5.0%)
Plant Expense/Supplies	160,841	147,013	13,828	9.4%	174,283	(13,442)	(7.7%)
Rent & Lease Expenses	1,415	6,300	(4,885)	(77.5%)	6,274	(4,859)	(77.5%)
Custom Work	14,799	21,480	(6,681)	(31.1%)	12,880	1,919	14.9%
Property Taxes	76,384	49,054	27,330	55.7%	64,114	12,270	19.1%
Miscellaneous Charges	6,011		6,011	0.0%		6,011	0.0%
Total cost of Goods sold	11,909,698	10,284,004	1,625,694	15.8%	9,576,048	2,333,650	24.4%
Gross Profit	120,541	1,943,248	(1,822,707)	(93.8%)	1,384,982	(1,264,441)	(91.3%)

Pembina Valley Pigs

YTD Income Statement (Unaudited)
For the 7 Months Ending July-28-12

	<i>Current</i>	<i>Budget</i>	<i>Variance of Actual</i>		<i>Prior Year</i>	<i>Variance of Actual</i>	
	<i>YTD</i>	<i>YTD</i>	<i>to Budget</i>		<i>YTD</i>	<i>to Prior</i>	
			<i>\$\$ over/(under)</i>	<i>% over/(under)</i>		<i>\$\$ over/(under)</i>	<i>% over/(under)</i>
Internal Transfers							
Transfers Out	(1,603,536)	(1,576,910)	(26,626)	1.7%	(1,799,574)	196,038	(10.9%)
Transfers In	1,603,536	1,576,910	26,626	1.7%	1,799,574	(196,038)	(10.9%)

Pembina Valley Pigs

YTD Income Statement (Unaudited)
For the 7 Months Ending July-28-12

	<u>Current YTD</u>	<u>Budget YTD</u>	<u>Variance of Actual to Budget</u>		<u>Prior Year YTD</u>	<u>Variance of Actual to Prior</u>	
			<u>\$\$ over/(under)</u>	<u>% over/(under)</u>		<u>\$\$ over/(under)</u>	<u>% over/(under)</u>

Schedule 2: Schedule of Selling, General and Administrative Expenses

Advertising & Promotion				0.0%	1,108	(1,108)	(100.0%)
Bad Debt and Warranty Expense				0.0%	(12,234)	12,233	(100.0%)
Fees, Dues and Licences	(204)		(204)	0.0%	346	(549)	(158.9%)
Capital Tax	(980)		(980)	0.0%		(980)	0.0%
Donations				0.0%	150	(150)	(100.0%)
Employee Benefits	132,237	101,852	30,385	29.8%	150,861	(18,624)	(12.3%)
Employee Perks/Recognition	21,777	5,159	16,618	322.1%	14,985	6,793	45.3%
Training	(4,458)	7,572	(12,029)	(158.9%)	18,138	(22,595)	(124.6%)
Recruitment	4,349		4,349	0.0%	5,494	(1,145)	(20.8%)
Insurance	130,442	112,798	17,644	15.6%	134,150	(3,709)	(2.8%)
Office & Miscellaneous	4,547	5,137	(590)	(11.5%)	3,865	682	17.6%
Management & Admin Fees	16,813	27,659	(10,845)	(39.2%)	28,657	(11,844)	(41.3%)
Payroll Tax	19,650	19,648	2	0.0%	24,442	(4,792)	(19.6%)
Professional Fees	9,867	7,000	2,867	41.0%	7,000	2,867	41.0%
Telephone	20,953	17,673	3,281	18.6%	22,066	(1,113)	(5.0%)
Vehicle and Travel	35,300	25,203	10,097	40.1%	30,042	5,258	17.5%
Bank Charges	511		511	0.0%	636	(125)	(19.7%)
Total S.G.&A. Expenses	390,806	329,699	61,107	18.5%	429,706	(38,901)	(9.1%)

Pembina Valley Pigs

YTD Income Statement (Unaudited)
For the 7 Months Ending July-28-12

	<u>Current</u>	<u>Budget</u>	<u>Variance of Actual</u>		<u>Prior Year</u>	<u>Variance of Actual</u>	
	<u>YTD</u>	<u>YTD</u>	<u>to Budget</u>		<u>YTD</u>	<u>to Prior</u>	
			<u>\$\$ over/(under)</u>	<u>% over/(under)</u>		<u>\$\$ over/(under)</u>	<u>% over/(under)</u>

Schedule 3: Quantities and Average Prices

Sales

Sales Revenue - Semen	\$129,742	\$321,583	(\$191,840)	(59.7%)	\$233,481	(\$103,739)	(44.4%)
Sales Revenue - Gilts		\$696,338	(\$696,338)	(100.0%)			0.0%
Sales Revenue - Piglets	\$3,666,868	\$3,834,741	(\$167,873)	(4.4%)	\$3,416,524	\$250,344	7.3%
Sales Revenue - Weanlings	\$311,500		\$311,500	0.0%		\$311,500	0.0%
Sales Revenue - Market Hogs	\$7,764,978	\$7,871,990	(\$107,011)	(1.4%)	\$7,162,408	\$602,570	8.4%
Sales Revenue - Light Hogs	\$149,195	\$101,697	\$47,498	46.7%	\$148,616	\$579	0.4%
Total Livestock Revenue	\$12,022,283	\$12,826,349	(\$804,066)	(6.3%)	\$10,961,030	\$1,061,254	9.7%
Units Sold - Semen	31,928	78,420	(46,492)	(59.3%)	56,500	(24,572)	(43.5%)
Units Sold - Gilts		1,844	(1,844)	(100.0%)			0.0%
Units Sold - Piglets	84,200	86,227	(2,027)	(2.4%)	86,721	(2,521)	(2.9%)
Units Sold - Weanlings	7,378		7,378	0.0%		7,378	0.0%
Units Sold - Market Hogs	44,150	42,435	1,715	4.0%	41,775	2,375	5.7%
Units Sold - Light Hogs	3,152	1,580	1,572	99.5%	2,773	379	13.7%
Average Sales Price - Semen	\$4.06	\$4.10	(\$0.04)	(0.9%)	\$4.13	(\$0.07)	(1.7%)
Average Sales Price - Gilts		\$377.62	(\$377.62)	(100.0%)			0.0%
Average Sales Price - Piglets	\$43.55	\$44.47	(\$0.92)	(2.1%)	\$39.40	\$4.15	10.5%
Average Sales Price - Weanlings	\$42.22		\$42.22	0.0%		\$42.22	0.0%
Average Sales Price - Market Hogs	\$175.88	\$185.51	(\$9.63)	(5.2%)	\$171.45	\$4.43	2.6%
Average Sales Price - Light Hogs	\$47.33	\$64.37	(\$17.03)	(26.5%)	\$53.59	(\$6.26)	(11.7%)
Total Average Sales Price - Market & Light Hogs	\$167.31	\$181.16	(\$13.85)	(7.6%)	\$164.12	\$3.20	2.0%

Purchases

Purchases - Boars	\$1,928	\$51,815	(\$49,887)	(96.3%)	\$7,213	(\$5,285)	(73.3%)
Recovered Cost - Cull Sales	(\$308,445)	(\$462,768)	\$154,322	(33.4%)	(\$294,252)	(\$14,193)	4.8%
Purchases - Gilts	\$238,816	\$889,770	(\$650,954)	(73.2%)	\$232,297	\$6,519	2.8%
Purchases - Weanlings	\$2,425,085	\$2,118,747	\$306,338	14.5%	\$1,797,991	\$627,093	34.9%
Total Livestock Purchases	\$2,357,383	\$2,597,565	(\$240,181)	(9.3%)	\$1,743,250	\$614,133	35.2%
Purchases - Semen	\$114,816	\$124,666	(\$9,849)	(7.9%)	\$59,087	\$55,729	94.3%
Units Purchased - Boars	6	20	(14)	(70.7%)	7	(1)	(14.3%)
Units Sold - Culls	1,631	1,719	(88)	(5.1%)	1,867	(236)	(12.6%)

Pembina Valley Pigs

YTD Income Statement (Unaudited)
For the 7 Months Ending July-28-12

	<i>Current</i>	<i>Budget</i>	<i>Variance of Actual</i>		<i>Prior Year</i>	<i>Variance of Actual</i>	
	<i>YTD</i>	<i>YTD</i>	<i>to Budget</i>		<i>YTD</i>	<i>to Prior</i>	
			<i>\$\$ over/(under)</i>	<i>% over/(under)</i>		<i>\$\$ over/(under)</i>	<i>% over/(under)</i>
Units Purchased - Gilts	709	2,384	(1,675)	(70.3%)	708	1	0.1%
Units Purchased - Weanlings	35,701	30,402	5,299	17.4%	27,507	8,194	29.8%
Units Purchased - Semen	25,915	23,695	2,220	9.4%	10,750	15,165	141.1%
Average Purchase Price - Boars	\$321.33	\$2,533.74	(\$2,212.41)	(87.3%)	\$1,030.50	(\$709.17)	(68.8%)
Average Sales Price - Culls	\$189.11	\$269.21	(\$80.09)	(29.8%)	\$157.61	\$31.51	20.0%
Average Purchase Price - Gilts	\$336.84	\$373.19	(\$36.35)	(9.7%)	\$328.10	\$8.73	2.7%
Average Purchase Price -							
Weanlings	\$67.93	\$69.69	(\$1.76)	(2.5%)	\$65.36	\$2.56	3.9%
Average Purchase Price - Semen	\$4.43	\$5.26	(\$0.83)	(15.8%)	\$5.50	(\$1.07)	(19.4%)

Pembina Valley Pigs

Statement of Cash Flows (Unaudited)
For the 7 Months Ending July-28-12

	<i>Current</i>	<i>Budget</i>	<i>Current</i>	<i>Budget</i>	<i>Variance of Actual YTD</i>	
	<i>Month</i>	<i>Month</i>	<i>YTD</i>	<i>YTD</i>	<i>to Budget YTD</i>	
					<i>\$\$ over/(under)</i>	<i>% over/(under)</i>
OPERATING ACTIVITIES						
Net Income	(565,448)	177,514	(982,069)	786,314	(1,768,383)	(224.9%)
Add charges (deduct credits) for items not requiring a current cash payment:						
Depreciation	50,909	53,542	359,718	374,795	(15,077)	(4.0%)
Amortization of breeding stock and breeding stock adjustments	33,922	68,981	356,864	482,867	(126,003)	(26.1%)
	(480,618)	300,038	(265,487)	1,643,976	(1,909,463)	(116.2%)
Changes in non-cash working capital:						
Accounts receivable	(120,127)		117,677		117,677	0.0%
Inventory	1,279,290		1,250,785		1,250,785	0.0%
Prepays	1,849		78,931		78,931	0.0%
Accounts payable & accrued liabilities	167,879		895,999		895,999	0.0%
Net change in non-cash working capital balance	1,328,892		2,343,393		2,343,393	0.0%
Cash Provided by (Used in) Operations	848,274	300,038	2,077,906	1,643,976	433,930	26.4%
INVESTING ACTIVITIES						
Proceeds on disposal of investments						
Purchase of investments						
Proceeds on disposal of other assets						0.0%
Purchase of other assets						0.0%
Proceeds on disposal of breeding stock	20,623		308,445		308,445	0.0%
Purchase of breeding stock	(156,732)	(81,031)	(778,973)	(567,217)	(211,756)	37.3%
Proceeds on disposal of capital assets						
Purchase of capital assets	(32,819)	(26,710)	(223,097)	(186,967)	(36,131)	19.3%
Cash Provided by (Used in) Investing activities	(168,928)	(107,741)	(693,625)	(754,184)	60,558	(8.0%)
FINANCING ACTIVITIES						
Increase/(Decrease) in bank indebtedness				(81,927)	81,927	(100.0%)
Long-term debt advances						
Repayment of long-term debt						
Increase (Decrease) in shareholder advances	(675,767)		(1,414,716)		(1,414,716)	0.0%
Redemption of preference shares						0.0%
Issuance of common stock						0.0%
Change in retained earnings						0.0%
Cash Provided by (Used in) Financing activities	(675,767)		(1,414,716)	(81,927)	(1,332,789)	1626.8%
Net Increase (Decrease) in Cash	3,579	192,297	(30,435)	807,866	(838,301)	(103.8%)
Cash - Beginning of Period	1,037	615,569	35,052		35,052	0.0%
Cash - End of Period	4,617	807,866	4,617	807,866	(803,249)	(99.4%)

**THIS IS EXHIBIT "4C" REFERRED TO IN THE
AFFIDAVIT OF RAYMOND ALAN HILDEBRAND
SWORN BEFORE ME AT THE CITY OF WINNIPEG
IN THE PROVINCE OF MANITOBA
THIS 11 DAY OF SEPTEMBER, 2012**



**A NOTARY PUBLIC
in and for the Province of Manitoba**

Niverville Swine Breeders

Balance Sheet (Unaudited)
As At July-28-12

	<u>Current Balance</u>	<u>Budget Balance</u>	<u>Prior Year Balance</u>
ASSETS			
Current			
Cash	4,400	196,851	(26,579)
Accounts Receivable	170,302	390,962	281,178
Inventories	1,209,896	1,096,669	1,315,060
Prepaid Expenses	822	19,859	25,534
Future Income Taxes		(125,000)	(140,000)
Total Current Assets	1,385,420	1,579,342	1,455,193
Investments	1,307,640	1,307,640	1,307,640
Other Assets	5,744	7,179	7,179
Capital Assets	2,968,533	2,295,803	2,138,172
Total Assets	5,667,338	5,189,964	4,908,184

LIABILITIES AND SHAREHOLDERS' EQUITY

Current			
Bank Indebtedness			
Accounts Payable and Accrued Liabilities	700,610	152,352	662,153
Current Portion of Long Term Debt			
Total Current Liabilities	700,610	152,352	662,153
Long Term Debt	2,822,601	2,580,443	2,181,713
Future Income Taxes	374,000	269,000	273,000
Total Liabilities	3,897,211	3,001,795	3,116,866

Total Liabilities to Shareholders			
Share Capital	100	100	100
Retained Earnings	1,770,027	2,188,069	1,791,218
Total Shareholders' Equity	1,770,127	2,188,169	1,791,318
Total Shareholders' Interests	1,770,127	2,188,169	1,791,318

Total Liabilities and Shareholders' Interests	5,667,338	5,189,964	4,908,184
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Niverville Swine Breeders

YTD Income Statement (Unaudited)
For the 8 Months Ending July-28-12

	<u>Current YTD</u>	<u>Budget YTD</u>	<u>Variance of Actual to Budget</u>		<u>Prior Year YTD</u>	<u>Variance of Actual to Prior</u>	
			<u>\$\$ over/(under)</u>	<u>% over/(under)</u>		<u>\$\$ over/(under)</u>	<u>% over/(under)</u>
Sales (Schedule 1)	3,700,432	4,670,499	(970,067)	(20.8%)	3,645,008	55,424	1.5%
Cost of Goods Sold (Schedule 1)	3,537,772	4,144,218	(606,445)	(14.6%)	3,552,016	(14,244)	(0.4%)
Gross Profit (Schedule 1)	162,660	526,282	(363,622)	(69.1%)	92,992	69,668	74.9%
Other Income	31,858	16,000	15,858	99.1%	46,615	(14,757)	(31.7%)
	194,518	542,282	(347,764)	(64.1%)	139,606	54,911	39.3%
Selling, General & Administrative Expenses (Schedule 2)	171,367	179,635	(8,267)	(4.6%)	184,871	(13,504)	(7.3%)
Income (loss) from Operations	23,150	362,647	(339,497)	(93.6%)	(45,264)	68,415	(151.1%)
Interest Expense							
Short Term Interest	1,900		1,900	0.0%	306	1,593	519.8%
Long Term Interest	68,667	64,000	4,667	7.3%	66,503	2,164	3.3%
	70,567	64,000	6,567	10.3%	66,809	3,757	5.6%
Less: Interest Income				0.0%	35	(35)	(100.0%)
Net Interest Expense	70,567	64,000	6,567	10.3%	66,774	3,793	5.7%
Income (loss) before Depreciation and Income Taxes	(47,416)	298,647	(346,064)	(115.9%)	(112,039)	64,622	(57.7%)
Depreciation	102,449	101,519	931	0.9%	92,380	10,070	10.9%
Income (loss) before Income Taxes	(149,866)	197,128	(346,994)	(176.0%)	(204,418)	54,553	(26.7%)
Income Tax Expense							
Current							
Future							
Net Income (loss)	(149,866)	197,128	(346,994)	(176.0%)	(204,418)	54,553	(26.7%)
Retained Earnings, Beginning of Period	1,919,893				1,995,636		
Retained Earnings, End of Period	1,770,027				1,791,218		

Niverville Swine Breeders

YTD Income Statement (Unaudited)
For the 8 Months Ending July-28-12

	<u>Current</u>	<u>Budget</u>	<u>Variance of Actual</u>		<u>Prior Year</u>	<u>Variance of Actual</u>	
	<u>YTD</u>	<u>YTD</u>	<u>to Budget</u>		<u>YTD</u>	<u>to Prior</u>	
			<u>\$\$ over/(under)</u>	<u>% over/(under)</u>		<u>\$\$ over/(under)</u>	<u>% over/(under)</u>
Schedule 1: Schedule of Gross Profit							
Sales							
Weanling Sales	239,887		239,887	0.0%		239,887	0.0%
Market Hog Sales	3,460,545	4,670,499	(1,209,955)	(25.9%)	3,657,508	(196,963)	(5.4%)
Contract Fee Income				0.0%	(12,500)	12,500	(100.0%)
Total Sales	3,700,432	4,670,499	(970,067)	(20.8%)	3,645,008	55,424	1.5%
Cost of Goods Sold							
Livestock Purchases (Net)	1,318,696	1,670,131	(351,434)	(21.0%)	1,355,355	(36,659)	(2.7%)
Feed Purchases (including rebates)	1,652,421	1,927,541	(275,120)	(14.3%)	1,791,696	(139,275)	(7.8%)
Inventory Change Hogs	54,659		54,659	0.0%	(191,282)	245,941	(128.6%)
Inventory Change Feed	8,860		8,860	0.0%	(452)	9,312	(2060.2%)
Wages & Bonuses	109,675	135,986	(26,311)	(19.4%)	136,150	(26,475)	(19.5%)
Medication	26,972	14,879	12,093	81.3%	18,705	8,267	44.2%
Vet & Lab Services	13,147		13,147	0.0%	19,281	(6,134)	(31.8%)
Freight	132,858	132,746	112	0.1%	146,370	(13,512)	(9.2%)
Manure Removal	92,566	84,200	8,366	9.9%	95,648	(3,082)	(3.2%)
Heating Fuel	14,594	16,757	(2,163)	(12.9%)	10,453	4,141	39.6%
Hydro	28,405	49,914	(21,509)	(43.1%)	32,555	(4,150)	(12.8%)
Repairs & Maintenance	45,594	68,667	(23,073)	(33.6%)	101,713	(56,119)	(55.2%)
Plant Expense/Supplies	11,545	20,600	(9,055)	(44.0%)	15,903	(4,358)	(27.4%)
Custom Work	11,085	11,600	(515)	(4.4%)	7,520	3,565	47.4%
Property Taxes	14,713	11,197	3,515	31.4%	12,402	2,311	18.6%
Miscellaneous Charges	1,983		1,983	0.0%		1,983	0.0%
Total cost of Goods sold	3,537,772	4,144,218	(606,445)	(14.6%)	3,552,016	(14,244)	(0.4%)
Gross Profit	162,660	526,282	(363,622)	(69.1%)	92,992	69,668	74.9%
Internal Transfers							
Transfers Out		(11,170)	11,170	(100.0%)			0.0%
Transfers In		11,170	(11,170)	(100.0%)			0.0%

Niverville Swine Breeders

YTD Income Statement (Unaudited)
For the 8 Months Ending July-28-12

	<u>Current</u> <u>YTD</u>	<u>Budget</u> <u>YTD</u>	<u>Variance of Actual</u> <u>to Budget</u>		<u>Prior Year</u> <u>YTD</u>	<u>Variance of Actual</u> <u>to Prior</u>	
			<u>\$\$ over/(under)</u>	<u>% over/(under)</u>		<u>\$\$ over/(under)</u>	<u>% over/(under)</u>

Schedule 2: Schedule of Selling, General and Administrative Expenses

Capital Tax	766		766	0.0%	(604)	1,370	(226.8%)
Employee Benefits	15,949	14,770	1,179	8.0%	19,756	(3,807)	(19.3%)
Employee Perks/Recognition	1,467	807	660	81.8%	1,545	(78)	(5.1%)
Training	(1,000)	813	(1,813)	(223.0%)	1,785	(2,785)	(156.0%)
Insurance	22,790	22,479	311	1.4%	24,572	(1,782)	(7.3%)
Office & Miscellaneous	315	1,136	(821)	(72.3%)	591	(275)	(46.6%)
Management & Admin Fees	108,213	120,594	(12,381)	(10.3%)	114,939	(6,726)	(5.9%)
Payroll Tax	1,674	2,924	(1,250)	(42.8%)	2,653	(979)	(36.9%)
Professional Fees	6,361	5,832	529	9.1%	6,884	(522)	(7.6%)
Telephone	5,378	5,600	(222)	(4.0%)	5,369	10	0.2%
Vehicle and Travel	9,311	4,680	4,631	99.0%	7,175	2,136	29.8%
Bank Charges	143		143	0.0%	207	(64)	(31.2%)
Total S.G.&A. Expenses	171,367	179,635	(8,267)	(4.6%)	184,871	(13,504)	(7.3%)

Niverville Swine Breeders

YTD Income Statement (Unaudited)
For the 8 Months Ending July-28-12

	<u>Current YTD</u>	<u>Budget YTD</u>	<u>Variance of Actual to Budget</u>		<u>Prior Year YTD</u>	<u>Variance of Actual to Prior</u>	
			<u>\$\$ over/(under)</u>	<u>% over/(under)</u>		<u>\$\$ over/(under)</u>	<u>% over/(under)</u>

Schedule 3: Quantities and Average Prices

Sales

Sales Revenue - Weanlings	\$239,887		\$239,887	0.0%		\$239,887	0.0%
Sales Revenue - Market Hogs	\$3,400,902	\$4,620,440	(\$1,219,537)	(26.4%)	\$3,609,255	(\$208,353)	(5.8%)
Sales Revenue - Light Hogs	\$59,643	\$50,060	\$9,583	19.1%	\$48,252	\$11,390	23.6%
Total Livestock Revenue	\$3,700,432	\$4,670,499	(\$970,067)	(20.8%)	\$3,657,508	\$42,924	1.2%
Units Sold - Weanlings	2,680		2,680	0.0%		2,680	0.0%
Units Sold - Market Hogs	19,689	25,271	(5,582)	(22.1%)	22,139	(2,450)	(11.1%)
Units Sold - Light Hogs	823	785	38	4.8%	792	31	3.9%
Average Sales Price - Weanlings	\$89.51		\$89.51	0.0%		\$89.51	0.0%
Average Sales Price - Market Hogs	\$172.73	\$182.83	(\$10.10)	(5.5%)	\$163.03	\$9.70	6.0%
Average Sales Price - Light Hogs	\$72.47	\$63.77	\$8.70	13.7%	\$60.92	\$11.54	19.0%
Total Average Sales Price - Market & Light Hogs	\$168.71	\$179.25	(\$10.54)	(5.9%)	\$159.50	\$9.21	5.8%

Purchases

Purchases - Piglets	\$172,649	\$325,337	(\$152,688)	(46.9%)	\$244,929	(\$72,280)	(29.5%)
Purchases - Weanlings	\$1,146,047	\$1,344,793	(\$198,746)	(14.8%)	\$1,110,426	\$35,622	3.2%
Total Livestock Purchases	\$1,318,696	\$1,670,131	(\$351,434)	(21.0%)	\$1,355,355	(\$36,659)	(2.7%)
Units Purchased - Piglets	4,142	7,404	(3,262)	(44.1%)	6,199	(2,057)	(33.2%)
Units Purchased - Weanlings	18,157	19,475	(1,318)	(6.8%)	17,874	283	1.6%
Average Purchase Price - Piglets	\$41.68	\$43.94	(\$2.26)	(5.1%)	\$39.51	\$2.17	5.5%
Average Purchase Price - Weanlings	\$63.12	\$69.05	(\$5.93)	(8.6%)	\$62.13	\$0.99	1.6%

Niverville Swine Breeders

Statement of Cash Flows (Unaudited)
For the 8 Months Ending July-28-12

	<u>Current Month</u>	<u>Budget Month</u>	<u>Current YTD</u>	<u>Budget YTD</u>	<u>Variance of Actual YTD to Budget YTD</u>	
					<u>\$\$ over/(under)</u>	<u>% over/(under)</u>
OPERATING ACTIVITIES						
Net Income	(153,296)	35,105	(149,866)	197,128	(346,994)	(176.0%)
Add charges (deduct credits) for items not requiring a current cash payment:						
Depreciation	12,696	12,690	102,449	101,519	931	0.9%
Loss(gain) on disposal of capital assets			(402)		(402)	0.0%
	(140,600)	47,795	(47,819)	298,647	(346,466)	(116.0%)
Changes in non-cash working capital:						
Accounts receivable	(96,296)		(7,343)		(7,343)	0.0%
Inventory	42,048		63,519		63,519	0.0%
Prepays	72		14,861		14,861	0.0%
Accounts payable & accrued liabilities	(471,801)		216,158		216,158	0.0%
Net change in non-cash working capital balance	(525,977)		287,195		287,195	0.0%
Cash Provided by (Used in) Operations	(666,577)	47,795	239,376	298,647	(59,271)	(19.9%)
INVESTING ACTIVITIES						
Proceeds on disposal of investments						
Purchase of investments						
Proceeds on disposal of other assets			1,435		1,435	0.0%
Purchase of other assets						
Proceeds on disposal of breeding stock						
Purchase of breeding stock						
Proceeds on disposal of capital assets			32,356		32,356	0.0%
Purchase of capital assets	(329,684)	(19,000)	(869,920)	(151,999)	(717,921)	472.3%
Cash Provided by (Used in) Investing activities	(329,684)	(19,000)	(836,129)	(151,999)	(684,130)	450.1%
FINANCING ACTIVITIES						
Increase/(Decrease) in bank indebtedness			(7,513)		(7,513)	0.0%
Long-term debt advances						
Repayment of long-term debt						
Increase (Decrease) in shareholder advances	999,379		608,667		608,667	0.0%
Issuance of common stock						0.0%
Change in retained earnings						0.0%
Cash Provided by (Used in) Financing activities	999,379		601,154		601,154	0.0%
Net Increase (Decrease) in Cash	3,118	28,795	4,400	146,648	(142,247)	(97.0%)
Cash - Beginning of Period	1,282	168,056		50,203	(50,203)	(100.0%)
Cash - End of Period	4,400	196,851	4,400	196,851	(192,450)	(97.8%)