

[VACCINES & IMMUNOLOGY]

# [ FOCUS ]

## FOR THE BIOECONOMY



[HEALTH & NUTRITION]



[BIOFUELS & BIO-PRODUCTS]



[INFRASTRUCTURE]



# ABOUT AG-WEST BIO



Ag-West Bio Inc.



Ag-West Bio is a key linking agency for Saskatchewan's life sciences industry. We build on existing capabilities and resources to achieve strong and profitable sectors in biotechnology, biofuels, bio-products, health and nutrition. Ag-West Bio responds to the needs of member organizations and Saskatchewan stakeholders with a variety of services, and addresses barriers to innovation in the operating environment.



## AG-WEST BIO:

- Directs investment toward growing firms with greater responsiveness and efficiency than the traditional financial sector
- Enhances the mobility of information by facilitating networking
- Raises awareness by public institutions of industry positions on important issues through the organization of direct contact opportunities with the private sector
- Provides a focal point for action and visible leadership within the industry

## A HISTORY:

Ag-West was founded in 1989 to initiate, promote and support the growth of Saskatchewan's agricultural biotechnology industry by fostering the commercialization of related technologies. A re-organization in 2004 saw Ag-West Biotech merge with two complementary provincial associations; Bio-Products Saskatchewan and the Saskatchewan Nutraceutical Network. Ag-West Bio emerged from the amalgamation with a focus on commercializ-

ation of biological applications in agriculture, environment, industry, energy and bioprocessing, as well as nutrition and health.

The creation of Ag-West Bio was a logical organizational progression because of the economic opportunities presented by the emerging bio-based economy. It is based on Saskatchewan's comparative agro-ecological advantages, its life



science industry base and its unique science and innovation infrastructure. Saskatchewan now has a single organization bringing a coordinated approach to capturing maximum economic, social and environmental value.

***“The range, depth and quality of services that Ag-West Bio provides in support of Saskatchewan’s life sciences industry continue to grow. Saskatchewan is the clear Canadian leader in the development of its ag-biotech, nutraceuticals, functional food, and bioproducts and bioenergy sectors. Keep up the good work.”***

~ Peter McCann ~

Executive Director, Industrial and Environmental  
Biotechnology for BIOTECCanada



## A LETTER FROM THE CHAIR

~Armand Lavoie

Over the past three years I have had the privilege to act as Chair for Ag-West Bio and witness tremendous achievements. Whether our focus was on commercialization through investments, mentorship or facilitation, business leadership, public relations, communications or strategic events, Ag-West Bio has delivered the highest quality results.

I am stepping down from Chair of the Ag-West Bio Board of Directors at a time of growth, as the organization forges ahead as a major player in furthering Saskatchewan's bio-economy. This has been made possible with the support of Saskatchewan Agriculture and Food and my deepest thanks are extended to their Department.

I have thoroughly enjoyed my time as Board Chair. I thank the other Members of the Board for your tireless efforts, and for sharing your expertise and wise counsel.

To the new board members becoming a part of this dynamic organization, I welcome you and look forward to working with you to help Ag-West Bio position Saskatchewan as a global bio-economy powerhouse.



Ag-West Bio's vision: creating value in agriculture, food, health and bio-based industries through leadership in the application of science and technology for the benefit of Saskatchewan people. Our mission is to lead and support the development of an economically viable life sciences cluster in Saskatchewan in a way that will translate into significant economic benefits and spin-offs to the Saskatchewan and Canadian economy. Ag-West Bio Inc. will expedite the commercialization of value-added products by linking knowledge and investment with science and enterprise in the development of products that satisfy market needs.

## MESSAGE FROM THE PRESIDENT

~ Dr. Ashley O'Sullivan

Growing concerns about the environment and a demand for green technologies is driving the bio-economy.

Ag-West Bio continues to lead the way for Saskatchewan, adding value through investments and business support activities in new technologies, leading-edge science and emerging companies.

An important event this year was the release of a report entitled *Building Saskatchewan's Bio-economy: A Life Sciences Strategy*. The report acknowledges fierce global competition and the importance of staying ahead of the curve. It gives detailed recommendations to enable Saskatchewan to remain a leader in the global bio-economy. Following through on these recommendations has become a priority for Ag-West Bio, and local support has been strong.

On behalf of Ag-West Bio's staff and directors, I extend our sincere gratitude to Saskatchewan Agriculture and Food for your support. To our members and stakeholders, thank you for your involvement in our organization; we are committed to your continued success. To the Board of Directors; thank you for sharing your knowledge and experience with us, and for the time you've committed to our mission. It has been our pleasure working with all of you this past year.

# AG-WEST BIO: FOCUS ON TEAMWORK

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The Staff and Board of Directors at Ag-West Bio are committed to serving the life sciences community in Saskatchewan. We are proud of this province, and working to advance the bio-economy is our focus.

A number of people have joined our staff this year. Darcy Pawlik has recently moved from Communications Director to Director of Regulatory Affairs, Kevin Haakensen is Ag-West Bio's Investment Analyst, and Lois Krauter leads the Ag-West Bio team as General Manager.



## AG-WEST BIO'S STAFF

**Dr. Ashley O'Sullivan**  
*President and CEO*

**Ron Kehrig**  
*Vice President, Biofuels and Bio-products*

**Dr. Lisette Mascarenhas**  
*Vice President, Health and Nutrition*

**Lois Krauter**  
*General Manager*

**Darcy Pawlik**  
*Regulatory Affairs Director*

**Kevin Haakensen**  
*Investment Analyst*

**Susan Kuzmak**  
*Executive Assistant*

**Shelby Sluth**  
*Administrative Assistant*

**Jazmin Bolaños**  
*Project Coordinator*

**Jackie Robin**  
*Communications Assistant*

*Communications Officer and  
Accounting Assistant to be announced*

## AG-WEST BIO'S BOARD OF DIRECTORS

**Armand Lavoie** (Chair)  
*VP, Western Canada,  
Foragen Technology Ventures Inc.*

**Abdul Jalil**  
*Director of Research Branch,  
Saskatchewan Agriculture and Food*

**Pete Desai**  
*President, Desai & Desai Inc.*

**Ian Newton**  
*Managing Director, Ceres Consulting*

**Ian McPhadden**  
*Producer*

**Robert Morgan**  
*President and CEO, POS Pilot Plant*

**Brigitte Weston**  
*Global Clearfield Development Manager,  
BASF Plant Sciences*

**Kevin Gellatly**  
*VP, Alliances, Performance Plants Inc.*

**John Hyshka**  
*Chief Financial and Operating Officer,  
Phenomenome Discoveries Inc.*

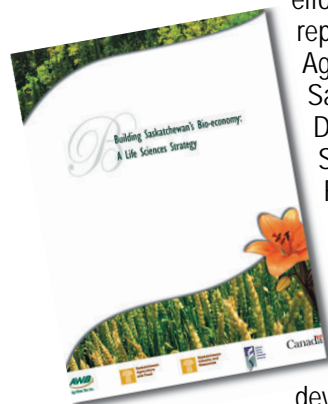
**Karen Chad**  
*Associate VP Research,  
University of Saskatchewan*

**Susan Milburn**  
*VP, Raymond James Ltd.(observer)*



# A FOCUS FOR EXCELLENCE: THE LIFE SCIENCES SECTOR STUDY

Being an industry leader in the twenty-first century is a challenging task. It requires foresight, ambition, as well as specific skills and resources to maintain a competitive advantage. To identify the province's strengths and determine where our efforts should be focused, a report was commissioned by Ag-West Bio, Industry Canada, Saskatoon Regional Economic Development Authority, Saskatchewan Agriculture and Food, Saskatchewan Industry and Resources and Western Economic Diversification.



*Building Saskatchewan's Bio-economy: A Life Sciences Strategy* was developed by the Conference Board of Canada after consultation with over 100 life science leaders in Saskatchewan. It is a

***“The Government of Saskatchewan is proud to support Ag-West Bio Inc. Their leadership and cooperation with the Conference Board of Canada to develop Building Saskatchewan's Bio-economy: A Life Sciences Sector Strategy, a new vision for the province's life science sector, will help ensure a prosperous future for Saskatchewan's bio-economy and citizens.”***

*~ Honourable Mark Wartman ~  
Minister of Agriculture and Food*



Lynne Yelich and Eric Cline look on as Ron Kehrig speaks at the release of the Life Science Sector Study.

strategy designed to bring focus, build critical mass, help the province grow a sustainable bio-economy and compete internationally.

The report makes 20 specific recommendations to address a wide range of factors. These recommendations include:

- Building leadership in biofuels, bio-products, nutrition, health and wellness
- Capitalizing on strengths in immunology, vaccines and contract research services
- Increasing investment in research and development
- Developing, attracting and retaining a talented work force
- Increasing the number and strength of Saskatchewan's life science companies
- Attracting risk capital
- Communicating the strengths of Saskatchewan in the life sciences

Saskatchewan's life sciences business community, our scientists, investors and entrepreneurs, primary producers, policy makers, and governments will determine the success of our province's bio-economy. The community has identified its priorities through this report; the challenge will be in maintaining a disciplined focus.

Ag-West Bio is here to facilitate the efforts of the stakeholders and foster the strengths they encompass to compete on a global level.



# HEALTH & NUTRITION



## A message from Dr. Lisette Mascarenhas

Saskatchewan's legacy of invigorating the Canadian health care system sets the foundation for a leadership role in the conception and development of products and services related to health and nutrition for both humans and animals.

Ag-West Bio works to support Saskatchewan-based entrepreneurs and researchers develop and commercialize their existing and new products and services. In the past year we have supported Saskatchewan companies in path-finding and developing nutritionally enhanced foods or feed, functional foods, natural health products and nutraceuticals. Furthermore, we have enabled the development and growth of biodiagnostics companies. These products and services represent the future of the health and nutritional sciences industry in Saskatchewan.

A growing interest in the need for personalized, predictable and preventative medicine is the driving force that is revolutionizing present day healthcare. Ag-West is enabling Saskatchewan firms to take advantage of these emerging opportunities.

Many chronic diseases, such as type 2 diabetes, are related to diet and nutrition; therefore, our approach to health and nutrition in Saskatchewan is to emphasize the interface between agriculture and health sectors. For a region with 40 percent of Canada's agricultural land, combined with research and processing expertise and infrastructure, functional foods, nutraceuticals and natural health products are a logical fit and

provide an enormous opportunity to diversify and add value.

Success in the health and nutrition area arises from our expertise in agriculture, food and natural products science, food processing technologies, pharmacy and nutrition, medicine, and animal science — all areas of strength for Saskatchewan.

Being involved with committees and boards such as Nutri-net Canada, and Western Canadian Functional Foods and Natural Health Products Network has helped Ag-West Bio facilitate many endeavors of various companies. Some examples include helping companies develop product concepts, business mentoring, pathfinding and investments for products and services. These activities are carried out in various markets, such as human and adult animal surgical materials, companion animal food, beverages, nutraceuticals, pharmaceuticals, cosmeceuticals, diagnostics, functional foods and natural health products.





## Animal Health and Nutrition Workshop



The first annual **Animal Health and Nutrition Workshop** (Research to Business Excellence) brought experts together to explore research and business opportunities and highlight new discoveries in the field.

Transforming animal health issues such as zoonotic diseases into scientific disciplines and protecting livestock and humans are major strengths for Saskatchewan-based research institutes such as VIDO. Provincial strengths in agriculture are the basis for not only nutritional aspects of human health and disease prevention and management but also as a focal point for animal health and nutrition. These developments ensure that the province will benefit from the overlap and shared characteristics of the sectors. By hosting events like this, unique to Saskatchewan, Ag-West Bio is helping to facilitate growth in the industry.



In July, Ag-West Bio led the Saskatchewan Solutions Team to IFT Food and Expo 2007 in Chicago.

Almost 24,000 attendees from more than 75 countries converged at the **IFT Food and Expo 2007** in Chicago to hear about the latest developments in food science and technology, learn about the hottest products and trends, and forge new professional partnerships. Ag-West Bio and the Saskatchewan Food Industry Development Centre co-led the Saskatchewan delegation on the exhibit floor to intrigue thousands of

attendees with their innovative food ingredients and services. Agriculture and Agri-Food Canada, CanMar Grain Products, FarmPure Foods, Mustard Capital Inc. and POS Pilot Plant completed the delegation. With an overwhelmingly positive response, Ag-West Bio plans to continue leading enthusiastic teams of new and emerging Saskatchewan companies to high profile global events such as the IFT in the future.





# BIOFUELS & BIO-PRODUCTS



## A message from Ron Kehrig

The age of biology is upon us and presents many opportunities! Ag-West Bio is ensuring Saskatchewan takes advantage of new science-based business opportunities. With science, business and policy interests aligned towards reducing our environmental footprint and creating alternatives to petroleum-based fuels and other industrial products, the bio-economy is growing stronger and attracting capital here.

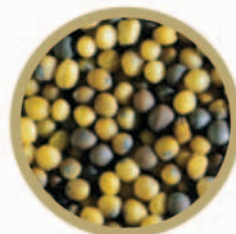
The biofuels industry and related renewable energy products and technologies provide a great opportunity to develop sustainable energy, and through integrated biorefineries, other ancillary high-value products. We are committed to ensuring Saskatchewan takes advantage of its ability to not only grow biomass, as starch, cellulose, fibres and plant-based oils, but also to develop viable systems and business relationships to capture value through applied products and processes.

Saskatchewan is already well positioned with a strong research foundation in plant based products and a healthy group of technology companies in

the bio-economy space. Ag-West Bio is busy following through on the recommendation made by the Conference Board of Canada to establish an industry-led centre for biofuel and bio-products research and development. This further alignment of R&D capacity and resources will have us “firing on all cylinders” to deliver on new and next generation biofuel and bio-product opportunities. Saskatchewan’s position as a powerhouse in the bio-economy is dynamic, with an active community continually pursuing innovative ideas and business ventures.

Ag-West Bio is active on many committees that play a major role in the bio-economy, including: the Executive Committee of the Farm Leaders Advisory Group; the Saskatchewan Biofuels Development Council; the External Advisory Panel for the Canadian Biomass Innovation Network; BIOCAP Canada Inc.; the Advisory Board for the Feeds Innovation Centre; the National Bio-Products Program Committee, BIOTEC Canada Inc. – Industrial and Environment Committee and the AAFC Oilseeds Roundtable – Non-Food Uses Sub-committee.

Ag-West Bio ensures that an active communications network is maintained relating to the interests of its stakeholders. Understanding the relevant information is an important factor in the commercialization of local goods and services.



Two of Ag-West Bio's objectives are to facilitate knowledge sharing and offer networking opportunities. A number of workshops were held throughout the year to bring together industry and business leaders with our members and the community.

In October 2006, Ag-West Bio hosted over 170 local, national and international delegates during the **bio-logical futures™ III** conference held at the Delta Bessborough in Saskatoon. The conference featured 28 national and international speakers and highlighted recent advances in the bio-products industry, including updates on bio-energy, bio-materials, bio-based chemicals and co-products.



**bio-logical futures™ III**

*“Saskatchewan’s critical mass of scientists working with its innovative farmers will play a significant role in ensuring the responsible use of its large land base and its water resources to grow crops and feed animals that will supply the many diverse products required by the future bio-economy.”*

~ Graham Scoles ~

Acting Dean, College of Agriculture and Bioresources, U of S



February marked another success in the series of **Plant Bio-Industrial Oils Workshops** presented by Ron Kehrig, Ag-West Bio's VP of Biofuels and Bio-products, and Wilf Keller, Director of Research at National Research Council - Plant Biotechnology Institute. Scientists, industry leaders and academics gathered in Saskatoon to learn about the latest developments in Plant Bio-Industrial Oils and new opportunities arising from the bio-economy.

In March, Ag-West brought Jeremy Tomkinson, Director of the UK National Non-Food Crop Centre, to Saskatoon to conduct a one-day **Bio-products and Bio-processes seminar**.





# AGRICULTURAL BIOTECHNOLOGY



By playing an integral role on a variety of high profile committees and Boards, such as Chairman of ABIC, Vice Chair of Genome Prairie, Board of Agriculture Council of Saskatchewan and BioTalent Canada, Ag-West Bio stays in tune with the pulse of the nation. We also participate in an advisory capacity on the Biofuels Opportunities for Producers Initiative, Canada-Ireland BioLink and National Institute of Agricultural Biotechnology in India.

Ag-West Bio is a strong proponent of the research and development infrastructure housed in the province. We make every effort to promote their capabilities in a variety of publications, by leading international delegations through their facilities and introducing important contacts to local researchers, business people and government officials. We believe a great deal of the province's success is directly related to the efforts of these institutions and the leaders that bring them to life.

*Ag-West Bio promotes our strong research infrastructure which is anchored by world-class facilities including:*

**Prairie Agricultural Machinery Institute (PAMI):** Applied research, development and testing organization in evaluating agricultural machinery, and developing new technologies, equipment and strategies for traditional and new farming practices.



**University of Saskatchewan:** The College of Arts and Science, the College of Medicine, the Western College of Veterinary Medicine, the Virtual College of Biotechnology and the College of Agriculture and Bio-resources focus on the life sciences. The university brings together human, plant and animal science to enable interdisciplinary research.



**Agriculture and Agri-food Canada Saskatoon Research Centre:** Specializing in agricultural biotechnology. Research farms in Saskatoon, Melfort and Scott focus on improved germplasm of oilseed and forage crops, crop production and pest control practices for the Parkland region and products and processes that expand the utilization of Prairie crops.



**Vaccine and Infectious Disease Organization (VIDO):** A world leader in the research and development of vaccine and immunotherapeutic technologies for livestock and humans. Credited with five "world firsts" in animal vaccine research, and is expanding into human health applications.



The ABIC Foundation is a not-for-profit organization, managed by Ag-West Bio and overseen by a board of directors with representation from several countries.

The Foundation's goal is to ensure on-going opportunities for continuous learning and networking within the ag-biotech community through the ABIC conference.

ABIC 2008 will take place in Cork, Ireland.

***"Ag-West Bio is extremely proud of the success of the ABIC conference. The event has grown to become one of the world's premiere conferences on agricultural biotechnology."***

*~ Dr. Ashley O'Sullivan ~*

*Ag-West Bio President and CEO and ABIC Foundation Chair*



Ag-West led the Saskatchewan Solutions Team to **BIO 2007** in May. Ag-West Bio is a founding member of BIO, which has become the world's largest biotechnology conference and trade show. The team, comprised of the Canadian Light Source, Innovation Place, Performance Plants, Prairie Plant Systems, Saskatchewan Industry and Resources and Saskatchewan Research Council, spread the stories of success and capabilities encompassed in Saskatchewan's life sciences cluster.

Ag-West Bio organizes and promotes events designed to educate the Saskatchewan public and stakeholders during **National Biotechnology Week** in September. Each year the Saskatchewan schedule of events gets better.

At **ABIC 2007** in Calgary, Ag-West Bio will host a Saskatchewan networking meeting on Monday, September 24th designed to allow international relationships to be forged with Saskatchewan stakeholders.



**Right:** RCMP in red serge try out the curling game in the Saskatchewan booth at BIO 2007 in Boston.

**Below:** The Saskatchewan Solutions Team at BIO 2007.



***“Saskatchewan has a great number of strengths and it is important to showcase them to an international audience when we have the chance.”***

*~ Murray McLaughlin ~*

*Director of Business Development, Canadian Light Source*



**University of Regina:** The University is involved with the Petroleum Technology Research Centre along with Natural Resources Canada, Saskatchewan Industry and Resources, and the Saskatchewan Research Council.



**National Research Council – Plant Biotechnology Institute (NRC-PBI):** Key research areas include crops for enhanced human health, cell technologies, lipid biotechnology, molecular and development genetics, plant natural products and protein research.



**POS Pilot Plant:** Contract research, toll processing, and analytical services organization that specializes in extraction, fractionation, purification and modification of bio-based materials.



**Saskatchewan Research Council (SRC):** Develops tests for assessing genetic diversity and collaborative efforts to develop new vaccines and gene therapy products.



**Canadian Light Source Inc. (CLS):** Canada's only synchrotron focusing on biotechnology, pharmaceuticals and medicine; mining, natural resources and the environment; and advanced materials, information technology and micro systems.



# COMMERCIALIZATION



*“The investment from Ag-West Bio will help us reach key business milestones.”*

*~ Leigh Marquess ~  
Chief Operating Officer, Quantum Genetics Inc.*

## ECONOMIC IMPACT ASSESSMENT

Building on past results compiled by Dr. Peter Phillips, Dr. Stuart Smyth completed an economic impact study to assess the success of Ag-West Bio's Commercialization Fund. It was found that \$10.4 million was invested in 57 projects involving 45 companies, creating an estimated 1,268 person years of R&D employment in Saskatchewan since 1989.

Ag-West Bio's investments have allowed the firms in the portfolio to leverage an additional \$74.3 million from other funding sources. Ag-West Bio understands that in most cases additional funds will be required to help investee companies reach their full potential. Therefore, while we nurture existing relationships, we place a strong emphasis on forging new connections with financing organizations such as Golden Opportunities, Clarity Capital, Avrio Ventures, and SAINT angel investors.

The total aggregate GDP impact of the \$10.4 million invested by Ag-West since 1989 is nearly \$760 million. Over its first 18 years, the fund generated an economic ratio of \$55 per \$1 invested and a tax recovery ratio of 8.3 to 1. We are extremely proud of the accomplishments of our investee companies and are committed to the growth of Saskatchewan life science companies.

## This year's investments

Ag-West Bio was pleased to announce the investment of \$300,000 in a Saskatoon based company, Quantum Genetics Canada Inc. They have developed a tool to predict optimal dates to ship market ready cattle, resulting in significant economic gains to producers.

Quantum Genetics' test relies on the propensity of an animal to deposit fat as determined by genetic markers associated with an individual animal's genotype. This optimization of efficiency is an

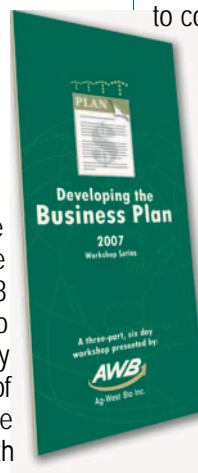
innovative tool that significantly adds to the agricultural value chain.

A strong, comprehensive business plan can determine the success or failure of an idea. For the third year, **Ag-West Bio's Business Plan Workshop** provided entrepreneurs one on one consultations with business experts from the University of



Leigh Marquess Chief  
Operating Officer of  
Quantum Genetics Inc.

Saskatchewan. Participants had the opportunity to complete a business plan, and gain some business savvy to increase the odds of success for their business ventures.



# REGULATORY AFFAIRS

With the appointment of a full-time Regulatory Affairs Director, Ag-West has been able to focus more intently on regulatory issues affecting Saskatchewan's bio-economy.

Canadian agriculture operates in a highly regulated environment. In many instances, the inability of Canada's regulatory environment to keep pace with technological advances is impeding the ability of Canadian companies to innovate and commercialize new products.

Ag-West Bio represents Saskatchewan's life science industry in the provincial and federal regulatory system, highlighting industry concerns and issues and working to effect change in an effort to make the regulatory process more transparent, timely, efficient and cost effective.

**Natural  
Health  
Products**

To understand the regulatory issues facing the bio-economy, a series of consultations with industry stakeholders were conducted. These meetings were based around three basic sectors served by Ag-West Bio: agricultural biotechnology; natural health products and functional foods; and bio-products and bio-processes.

The following regulatory needs were identified:

- Harmonization with the U.S. and other countries
- Clear, concise guidelines and simplicity of submission packages
- Consistency in regulations and regulatory decisions
- Better interdepartmental communication
- Timelines and accountability
- Risk-based assessments



The notion that agriculture can serve as a solution provider to all Canadians, whether for food, industrial products or renewable energy, will take us into new facets of science and regulation. For Canada to lead the global bio-economy, investment is

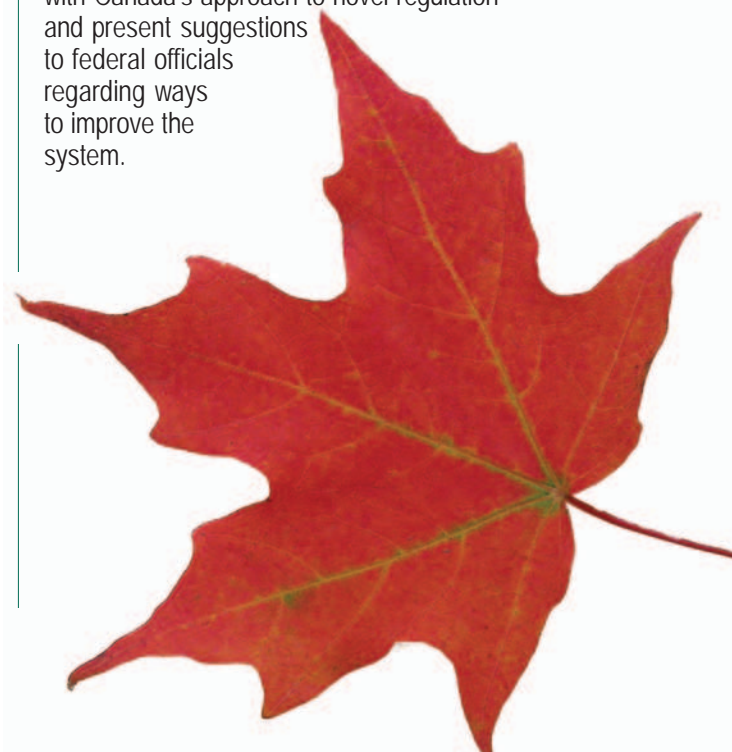
needed. Maintaining and enhancing our science-based regulatory system will put Canada in a competitive position to attract foreign R&D dollars. An efficient and predictable regulatory system is a large part of the equation; the removal of restrictive regulatory policy and factors inhibiting growth must be addressed.

Ag-West Bio is taking a leadership role in the province to guide, educate and inform stakeholders of the current and emerging regulatory, standards and trade issues, and help them work their way through the regulatory processes and communicate effectively with government. This is achieved by



attending workshops and serving on various committees that deal with regulatory issues to ensure stakeholders are apprised of current issues.

In June, Ag-West Bio and the University of Saskatchewan Crop Development Centre co-hosted a workshop to discuss issues associated with Canada's approach to novel regulation and present suggestions to federal officials regarding ways to improve the system.





# COMMUNICATING THE SASKATCHEWAN ADVANTAGE

Communicating Saskatchewan's successes and embracing our science and technology community through our various publications is proving to be valuable to our members. Over the past year, Ag-West Bio was mentioned in numerous publications. Our position as a leader and a reliable source for information regarding the bio-economy is clearly recognized. This status also increases promotional opportunities for our stakeholders.



Ag-West Bio's efforts were highlighted at a press conference in May announcing the release of the Life Science Sector Study and the Quantum Genetics investment.

Eric Cline, former Minister of Industry and Resources, was invited to make the announcement and spoke to the opportunities present in the province's life sciences industries. We were also pleased to host Lynne Yelich, Member of Parliament for Blackstrap and Sandra Schillo, Senior Research Associate with the Conference Board of Canada. Many stakeholders were present, eager to show their support and encourage us to follow through on the recommendations outlined in the report.

Ag-West Bio's second edition of **Bio-Solutions** magazine was a great success. Articles highlighted opportunities in the bio-economy, financing of startup companies, Saskatchewan's infrastructure advantages, bio-refineries and the ethanol industry, genomics and nutrigenomics — and much more. We were delighted to see not only an increase in content, but a greater variety of authors. We hope to continue communicating Saskatchewan's strengths and accomplishments through this medium for years to come.

The **Bio-Bulletin** is distributed bimonthly to over 2,500 individuals involved in the life sciences



Eric Cline speaks at the release of the Life Science Sector Study.

around the world. This on-line publication covers topics ranging from agricultural biotechnology, health and wellness, and bio-products, to information about innovations, regulations and finance opportunities. We review events hosted by Ag-West Bio, and boast the accomplishments of Saskatchewan's life science companies.

**SUCCESS** is a special publication directed at politicians to help keep them informed about crucial matters in which they can make a difference. Policy and regulation issues are brought to the forefront as well as current topics requiring their attention.

Three new information pieces that give an overview of Ag-West Bio's sectors were published in January, as well as a special feature piece on the biofuels and bio-products industry. These items are posted on our website. Printed copies are available upon request and are readily distributed nationally and internationally.

Our bi-weekly news clipping service, **E-news**, continues to keep members informed about new technologies, issues, trends and opportunities regarding today's local and global bio-economy.



**Ag-West Bio's website** remains a centre for information and updates about our own activities, publications and events, along with government publications, regulatory and financing information. Listings of related events around the world and links to websites of interest to our stakeholders can also be found alongside information about our members.

# AG-WEST BIO MEMBERSHIP

Ag-West Bio's 110 members are a valuable part of our organization. Keeping them informed and connected is an important goal for Ag-West. Networking events, workshops and ambassadorship opportunities are all available to our members at discounted prices. Benefits include our bi-weekly E-news, a "members only" section of the website and our in-house resource library. Member profiles and contact information is posted to our website.

Ag-West can offer members assistance in finding matching grants and investments, and the opportunity to access direct investment capital through our commercialization fund.

Join Ag-West Bio today to be better informed of the issues, challenges and opportunities facing the bio-economy.



## Corporate Members

Above Board Technologies (R&D) Corp.  
Advance-Tek Consulting Inc.  
Agriculture & Agri-Food Canada -  
Saskatoon Research Centre  
Agriculture and Agri-Food Canada  
Banda Marketing Group  
BASF Plant Science Ltd.  
Becker Underwood  
Bioriginal Food & Science Corp.  
Canadian Bioenergy Corporation  
Canadian Light Source Inc., U of S  
CanMar Grain Products  
Can-Oat Milling  
Cevena Bioproducts Inc.  
CST Commercialization Services Team  
Cypress Agri Energy Inc  
Dow AgroScience Canada  
Emerald Seed Products  
ERCO Worldwide  
FarmPure Inc.  
Foragen Technologies Management Inc.  
Foreign Affairs and International  
Trade Canada  
Fytokem Products Inc.  
Genome Prairie  
Guardian Biotechnologies  
Heads-Up Plant Protectants  
Industry Liaison Office, U of S  
InfraReady Products (1998) Ltd.  
Innovation Place  
Laprell's Beehive Products Inc.  
Linnaeus Plant Sciences Inc  
Maple Leaf Bio-Concepts  
March Consulting Associates Inc  
MCN BioProducts Inc.  
Milligan Bio-Tech Inc.  
Mold Solutions LLC Canada  
Mustard Capital Inc.  
National Research Council -  
Plant Biotechnology Institute  
New Era Nutrition  
Nipawin Biomass Ethanol  
New Generation Co-op  
Northern Vigor Berries  
Pfizer Canada Inc.  
PharmEng Technology Inc.  
Phenomenome Discoveries Inc.

Philom Bios Inc.  
Pioneer Hi-Bred Ltd.  
Prairie Agricultural Machinery Institute  
Prairie Plant Systems Inc.  
PricewaterhouseCoopers LLP  
Quantum Genetics Canada Inc.  
Sangster's Health Centres  
Saskatchewan Canola  
Development Commission  
Saskatchewan Flax  
Development Commission  
Saskatchewan Food  
Industry Development Centre  
Saskatchewan Industry & Resources  
Saskatchewan Research Council  
Saskatoon Regional Economic  
Development Agency  
SaskEnergy Corp.  
SNC-Lavalin Agro  
The Pathfinders Research & Management  
The Saskatoon Colostrum Company Ltd.  
Titan Clean Energy Projects Corporation  
ToxTest - Alberta Research Council Inc.



E-news is a bi-weekly news publication that is only available to Ag-West Bio members.

University of Saskatchewan,  
College of Commerce  
Victoria Park Capital Inc.  
Vaccine and Infectious Disease  
Organization, U of S  
Walker Seeds Ltd.

## Associate Members

AusBiotech  
BioAlberta  
BioMed SA  
BIOTECANADA  
Canadian Bioenergy Association  
Canadian Health Food Association

Canadian Institute of Food Science  
and Technology  
Centre québécois de valorisation des  
biotechnologies  
Greater Saskatoon Chamber of Commerce  
Health Care Products  
Association of Manitoba  
Manitoba Food Processors Association  
POS Pilot Plant Corporation  
Saskatchewan Advanced Technology  
Association  
Saskatchewan Environmental Industry &  
Managers Association  
Saskatchewan Food Processors  
Association  
Saskatchewan Fruit Growers Association  
Saskatchewan Herb & Spice Association  
Saskatchewan Trade and Export  
Partnership  
Western Canadian Functional Food and  
Nutraceutical Network

## Individual Members

John Culley	Ian McPhadden
Les Beres	Kathy Johnson
Len Bykowski	Neil Wagner
Ken Graham	Susan Milburn
Ian Newton	Michael Oelck
Mercedes Alcock	Joanne Post
Pete Desai	Hugh Campbell
Elizabeth Nash	Karen Chad
Garnet Martin	Ravi Chibbar
Robert Kallio	
GV Shankar	
Mary Ellen Hodgins	
Morris Johnson	
Sanjeev Singh	
Steve Mamchur	







### *Microscopes*

*are symbolic of  
scientific research,  
and have changed  
dramatically  
over the years.*

*The Canadian  
Light Source houses  
the synchrotron,  
the most powerful*

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particles on earth.*









Financial Statements of

**AG-WEST BIO INC.**

Year ended March 31, 2007



**KPMG LLP**  
**Chartered Accountants**  
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## **AUDITORS' REPORT TO THE DIRECTORS**

We have audited the statement of financial position of Ag-West Bio Inc. as at March 31, 2007 and the statements of operations, operating surplus, equity in equipment and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements presents fairly, in all material respects, the financial position of the Organization as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

A handwritten signature in black ink, appearing to read 'J. M. G. L. T.'.

Chartered Accountants

Saskatoon, Canada  
May 29, 2007



# AG-WEST BIO INC.

## Statement of Financial Position

March 31, 2007, with comparative figures for 2006

	2007	2006
<b>Assets</b>		
Current assets:		
Cash and treasury bills	\$ 2,611,041	\$ 2,075,334
Short-term investments (market value - \$1,719,640; 2006 - \$1,589,083)	1,471,454	1,319,766
Accounts receivable	264,593	234,776
Prepaid expenses and deposits	80,953	21,705
Current portion of long-term investments (note 3)	166,747	136,200
	4,594,788	3,787,781
Long-term investments (note 3)	1,201,683	1,454,711
Equipment (note 4)	30,815	37,871
	\$ 5,827,286	\$ 5,280,363
<b>Liabilities and Surplus</b>		
Accounts payable and accrued liabilities	\$ 99,196	\$ 186,845
Deferred revenue		
Flax Canada 2015	—	62,160
Life Science Sector Study	29,971	68,481
BIO 2007	27,018	—
IFT 2007	5,998	—
Saskatchewan Agriculture and Food Investment Funding	500,000	—
	662,183	317,486
Surplus:		
Operating surplus	343,671	134,389
Contributed surplus (note 5)	4,790,617	4,790,617
Equity in equipment	30,815	37,871
	5,165,103	4,962,877
	\$ 5,827,286	\$ 5,280,363

See accompanying notes to financial statements.

On behalf of the Board:

  
Director

  
Director

# AG-WEST BIO INC.

## Statement of Operations

Year ended March 31, 2007, with comparative figures for 2006

	2007	2006
Revenue:		
Saskatchewan Agriculture and Food	\$ 900,000	\$ 900,000
Saskatchewan Agriculture and Food Investment Fund	200,000	—
Other revenue	199,270	254,987
Conferences and workshops (schedule 1)	164,279	51,549
Interest income	161,730	105,938
Western Economic Partnership Agreement (schedule 2)	139,683	149,591
Flax Canada 2015 (schedule 3)	87,160	839,855
Genome Prairie (schedule 4)	79,088	46,332
Life Sciences (schedule 5)	71,760	3,519
Regulatory agreement	70,404	—
Projects and events (schedule 6)	70,302	51,605
Memberships	22,310	8,739
Agri Food Innovation Fund	10,000	159,866
Travel recovery	9,144	7,266
	2,185,130	2,579,247
Expenses:		
Administrative (schedule 7)	982,168	863,984
Western Economic Partnership Agreement (schedule 2)	149,329	147,917
Conferences and workshops (schedule 1)	138,738	42,795
Other activities	124,572	88,408
Flax Canada 2015 (schedule 8)	86,586	839,855
Regulatory (schedule 9)	80,286	1,901
Genome Prairie (schedule 4)	78,069	46,524
Life Sciences (schedule 5)	71,760	3,519
Projects and events (schedule 6)	60,349	64,889
Health and wellness (AFIF, CARDS and SAF)		
(schedule 10)	45,177	247,215
Bio-Products & Bio-Processes (CARDS) (schedule 11)	31,557	25,799
Investment project costs	8,021	5,857
	1,856,612	2,378,663
Earnings before the undernoted	328,518	200,584
Gain on sale of short-term investments	106,064	740
Write-down of long-term investments	(232,356)	(495,347)
Recovery of long-term investments	—	4,029
Net earnings (loss)	\$ 202,226	\$ (289,994)

See accompanying notes to financial statements.



# AG-WEST BIO INC.

## Statement of Operating Surplus and Equity in Equipment

Year ended March 31, 2007, with comparative figures for 2006

	2007	2006
<b>Operating Surplus</b>		
Balance, beginning of year	\$ 134,389	\$ 435,249
Net earnings (loss)	202,226	(289,994)
Transfers (to) from equity in equipment for:		
Equipment purchases	(7,875)	(22,297)
Amortization	14,931	11,431
Balance, end of year	\$ 343,671	\$ 134,389
<b>Equity in Equipment</b>		
Balance, beginning of year	\$ 37,871	\$ 27,005
Transfers from (to) operating surplus for:		
Equipment purchases	7,875	22,297
Amortization	(14,931)	(11,431)
Balance, end of year	\$ 30,815	\$ 37,871

See accompanying notes to financial statements.

# AG-WEST BIO INC.

## Statement of Cash Flows

Year ended March 31, 2007, with comparative figures for 2006

	2007	2006
Cash flows from (used in):		
Operations:		
Net earnings (loss)	\$ 202,226	\$ (289,994)
Items not involving cash:		
Amortization	14,931	11,431
Write-down of long-term investments	232,356	495,347
Gain on sale of short-term investments	(106,064)	(740)
Change in non-cash operating working capital:		
Accounts receivable	(29,817)	(89,281)
Prepaid expenses and deposits	(59,248)	(16,501)
Accounts payable and accrued liabilities	(87,649)	141,760
Deferred revenue	432,346	42,661
	599,081	294,683
Investing:		
Purchase of short-term investments	(439,274)	(129,359)
Purchase of equipment	(7,875)	(22,297)
Long-term investments	(200,000)	(150,000)
Repayment of long-term investments	190,125	325,547
Proceeds on sale of short-term investments	393,650	81,566
	(63,374)	105,457
Increase in cash position	535,707	400,140
Cash position, beginning of year	2,075,334	1,675,194
Cash position, end of year	\$ 2,611,041	\$ 2,075,334

Cash position is defined as cash and treasury bills.

See accompanying notes to financial statements.



# AG-WEST BIO INC.

Notes to Financial Statement

Year ended March 31, 2007

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## Organization biography:

Ag-West Bio Inc. (the "Organization"), incorporated under the Saskatchewan Non-Profit Corporations Act on April 1, 2004, commenced active operations as of that date with the amalgamation of the operations and transfer of related assets and liabilities of Ag-West Biotech Inc., Bio-Products Saskatchewan Inc. and Saskatchewan Nutraceutical Network, Inc. The Organization's mission is to create value in agriculture, food, health and bio-based industries through leadership in the application of science and technology for the benefit of Saskatchewan people.

## 1. Significant accounting policies:

### (a) Use of estimates:

These financial statements are prepared by management in accordance with Canadian generally accepted accounting principles. Management makes various estimates and assumptions in determining the reported amounts of assets and liabilities and revenues and expenses for the year. Changes in estimates and assumptions will occur based on the passage of time and the occurrence of certain future events. A summary of the significant accounting policies is as follows:

### (b) Cash and treasury bills:

Cash and treasury bills consists of balances with financial institutions which have an initial term to maturity of three months or less.

### (c) Short-term investments:

Short-term investments are recorded at the lower of cost and net realizable value.

### (d) Long-term investments:

As part of its mandate, the Organization invests in projects to assist in new product development. These investments are typically made to companies involved in research and development where the project has not yet reached commercial viability. Security on these investments is limited. As a result, the Organization is exposed to a significant level of credit risk on these investments.

Investments in projects are carried at cost and represent cash funding provided to Ag-West Bio Inc. sponsored projects. Investments are written down to their net realizable value when there has been a loss in value that is other than temporary.

# AG-WEST BIO INC.

## Notes to Financial Statement – Continued

Year ended March 31, 2007

### 2. Significant accounting policies – continued:

#### (e) Equipment:

Equipment is carried at cost. Amortization is provided on a basis and at rates calculated to amortize the cost of equipment over its estimated useful life. Amortization is computed using the following methods and rates:

Asset	Method	Rate
Furniture and equipment	Declining balance	20%
Computer equipment	Declining balance	50%
Computer software	Declining balance	100%

One-half of the full year's amortization is provided for in the year of acquisition. Effective April 1, 2006, the organization revised its estimate of the useful life of its computer equipment and, as a result, amortization of computer equipment increased from 30% to 50% per year, calculated on the declining balance method. The revised estimate is based on a re-evaluation of the current expected economic useful life of the computers. The effect of this change in estimate was to increase amortization expense for the current year by \$3,322. This change in estimate has been applied on a prospective basis.

#### (f) Revenue recognition:

Monies from all funding sources are recorded as revenue when the related costs are incurred. Deferred revenue represents funds received from sources related to projects where the related costs will be incurred in future periods. The revenue has been recorded as deferred revenue on the statement of financial position and will be recorded as revenue on the statement of operations in the period when the related costs are incurred.

#### (g) Financial Instruments – Recent Accounting Pronouncements:

In January 2005, the Canadian Institute of Chartered Accountants ("CICA") issued Section 1530, "Comprehensive Income", Section 3251, "Equity", Section 3855, "Financial Instruments – Recognition and Measurement". On April 1, 2007 the Corporation will adopt these accounting guidelines resulting from the issuance of these sections. Under the new standards, all financial assets will be classified as either loans and receivables, held-for-trading, available-for-sale, or held-to-maturity and all financial liabilities will be classified as held-for-trading or other financial liabilities.

# AG-WEST BIO INC.

Notes to Financial Statement – Continued

Year ended March 31, 2007

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## 2. Significant accounting policies – continued:

### (g) Financial Instruments – Recent Accounting Pronouncements (continued):

Financial instruments classified as held-for-trading will be measured at fair value with changes in fair value recognized in net earnings. Financial assets classified as held-to-maturity or as loans and receivables and other financial liabilities will be measured at amortized cost using the effective interest rate method. Available-for-sale financial assets will be measured at fair value with changes in unrealized gains and losses recognized in other comprehensive income.

The corporation will also be required to present a new statement of Comprehensive Income and its components, as well as the components of accumulated other comprehensive income (OCI), in its financial statements. Comprehensive income includes both net income and OCI. Major components of OCI include changes in unrealized gains and losses of financial assets classified as available-for-sale.

### (h) Income taxes:

The Company qualifies as a tax exempt organization under Section 149 of the *Income Tax Act*.

## 3. Long-term investments:

The Organization has investments in fifteen (2006 - fourteen) projects totalling \$1,368,430 (2006 - \$1,590,911).

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### Investments in projects:

Loans receivable, at lower of cost and net realizable value	\$ 1,127,444	\$ 1,242,569
Common shares, at lower of cost and net realizable value	240,986	348,342
	<u>1,368,430</u>	<u>1,590,911</u>
Less current portion of loans receivable	(166,747)	(136,200)
	<u>\$ 1,201,683</u>	<u>\$ 1,454,711</u>



# AG-WEST BIO INC.

Notes to Financial Statement – Continued

Year ended March 31, 2007

## 4. Equipment:

				2007	2006
	Cost	Accumulated amortization		Net book value	Net book value
Furniture and equipment	\$ 150,098	\$ 130,641	\$	19,457	\$ 22,331
Computer equipment	42,491	32,109		10,382	14,534
Computer software	7,484	6,508		976	1,006
	\$ 200,073	\$ 169,258	\$	30,815	\$ 37,871

## 5. Contributed surplus:

Contributed surplus represents the excess in value of the assets less liabilities less equity in equipment transferred on the amalgamation of Ag-West Biotech Inc., Bio-Products Saskatchewan Inc. and the Saskatchewan Nutraceutical Network, Inc., as of April 1, 2004.

## 6. Fair value of financial assets and financial liabilities:

The carrying values of cash and treasury bills, accounts receivable and accounts payable and accrued liabilities approximate their fair value due to the relatively short periods to maturity of these items. The fair value of the short-term investments is disclosed in the statement of financial position.

It was not practicable to estimate the fair value of the long-term investments as there is significant uncertainty as to when they will be recovered. The investments are carried at their original cost unless they have been determined to be impaired, in which case they have been written down to their estimated net realizable value.

## 7. Related parties:

In the ordinary course of business, the Organization provides lending to and investments with related parties on terms similar to those offered to non-related parties. Related parties include directors and their affiliated companies.

Loans to these related parties are based on market terms and conditions. As at March 31, 2007 loans and investments in companies affiliated with Directors totaled \$350,000 (2006: \$200,000).

# **AG-WEST BIO INC.**

Notes to Financial Statement – Continued

Year ended March 31, 2007

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## **8. Comparative figures:**

Certain of the prior year's numbers, presented for comparative purposes, have been changed to conform to this year's presentation.

**AG-WEST BIO INC.**

Schedule of Conferences and Workshops Revenue and Expenses

Year ended March 31, 2007, with comparative figures for 2006

	Northern Plains	Bio-Logical Futures III	Improving Human Health	Plant Bio Oils 2007	Animal Health 2007	Total 2007	Total 2006
<b>Revenue:</b>							
Sponsors	\$ 7	\$ 25,109	\$ 18,900	\$ 13,482	\$ 6,512	\$ 64,010	\$ 29,991
Delegates	-	59,913	8,581	28,855	2,920	100,269	21,558
	7	85,022	27,481	42,337	9,432	164,279	51,549
<b>Expenses:</b>							
Speakers	-	28,152	10,860	11,133	3,157	53,302	12,191
Catering	-	22,790	8,004	14,151	-	44,945	14,744
Marketing	-	11,848	899	3,897	1,705	18,349	8,910
Consulting	-	-	-	-	-	-	3,058
Operating	-	12,577	2,602	922	248	16,349	3,892
Rentals	-	-	-	5,793	-	5,793	-
	-	75,367	22,365	35,896	5,110	138,738	42,795
<b>Net conference revenue:</b>	\$ 7	\$ 9,655	\$ 5,116	\$ 6,441	\$ 4,322	\$ 25,541	\$ 8,754



**AG-WEST BIO INC.**

## Schedule of Western Economic Partnership Agreement (WEPA) Revenue and Expenses

Year ended March 31, 2007, with comparative figures for 2006

	2007	2006
Revenue:		
Western Economic Partnership Agreement	\$ 136,659	\$ 142,999
Business plan workshop	2,949	5,869
Intellectual property works	75	723
	139,683	149,591
Expenses:		
Salaries	80,580	85,936
Projects	23,814	12,005
Public relations	22,986	22,954
Travel	12,012	12,625
Consulting	6,349	12,381
Meetings	3,588	2,016
	149,329	147,917
	\$ (9,646)	\$ 1,674

**AG-WEST BIO INC.**

## Schedule of Flax Canada 2015 Revenue

Year ended March 31, 2007, with comparative figures for 2006

	2007	2006
Government of Manitoba	\$ 25,000	\$ 75,000
Agriculture and Agri-Food Canada	—	761,401
Saskatchewan Agriculture and Food	—	20,000
Flax Council of Canada	—	12,500
Saskatchewan Flax Development Commission	—	12,500
Add (less) deferred revenue	62,160	(41,546)
	\$ 87,160	\$ 839,855

**AG-WEST BIO INC.**

## Schedule of Genome Prairie Revenue and Expenses

Year ended March 31, 2007, with comparative figures for 2006

	2007	2006
Revenue:		
Genome Prairie	\$ 79,088	\$ 46,332
Expenses:		
Rent	49,533	23,692
Salary and employee benefits	16,606	10,560
Office	11,930	12,213
Travel	—	59
	78,069	46,524
	\$ 1,019	\$ (192)



**AG-WEST BIO INC.**

## Schedule of Life Sciences Sector Study Revenue and Expenses

Year ended March 31, 2007, with comparative figures for 2006

	2007	2006
Revenue:		
Life Sciences Sector Study	\$ 71,760	\$ 3,519
Expenses:		
Consulting fees	71,760	3,519
	\$ -	\$ -

**AG-WEST BIO INC.**

## Schedule of Projects and Events Revenue and Expenses

Year ended March 31, 2007, with comparative figures for 2006

	World Congress	Bio 2005	Bio 2006	ABIC 2006	Going Global	Total 2007	Total 2006
Revenue:	\$ 3,977	\$ 46	\$ 8,188	\$ 25,865	\$ 32,226	\$ 70,302	\$ 51,605
Expenses:	743	-	13,566	13,814	32,226	60,349	64,889
Net project revenue (expense):	\$ 3,234	\$ 46	\$ (5,378)	\$ 12,051	\$ -	\$ 9,953	\$ 13,284

**AG-WEST BIO INC.**

## Schedule of Administrative Expenses

Year ended March 31, 2007, with comparative figures for 2006

	2007	2006
Salaries	\$ 624,959	\$ 504,390
Travel	78,468	82,887
Office rent and utilities	76,389	65,320
Professional fees	40,541	33,621
Communications assistant	29,649	6,094
Telephone and fax	24,369	18,835
Office supplies	19,076	19,803
Insurance	16,323	12,033
Amortization	14,931	11,431
Board meetings	10,146	26,852
Memberships and subscriptions	8,834	18,962
Membership costs	8,199	8,255
Equipment rental	7,924	8,537
Publishing and printing	5,823	20,789
Advertising and promotion	5,768	6,254
Meetings	3,889	6,360
Postage	3,060	3,915
Bank charges	2,658	2,305
Guest writing	947	1,463
List servers	215	3,107
Consulting	—	2,120
Public relations	—	651
	\$ 982,168	\$ 863,984



**AG-WEST BIO INC.**

## Schedule of Flax Canada 2015 Expenses

Year ended March 31, 2007, with comparative figures for 2006

	2007	2006
Activity 1 - working groups		
Travel and accommodations		
Animal health	\$ —	\$ 11,125
Breeding	—	1,630
Fibre	621	15,440
Human health	6,012	10,320
Industrial uses	1,016	823
Consultants		
Animal health	—	66,266
Breeding	—	46,066
Fibre	—	45,983
Human health	1,350	258,204
Industrial uses	—	56,925
Project co-ordinator	16,875	93,269
Telephone / Meeting / Hospitality		
Animal health	—	2,386
Breeding	—	1,689
Fibre	—	3,932
Human health	604	2,362
Industrial uses	—	1,185
Activity 2 - strategy		
Consulting	16,213	61,809
Travel and accommodations		
Steering committee meeting costs	302	1,735
Teleconference	6,313	26,773
Meeting room	259	1,555
Hospitality	503	5,217
Telephone	375	5,693
Activity 4 - future directions		
Future directions	—	50,000
Activity 5 - administration		
Audit and legal	8,981	7,368
Project management	—	62,100
Project closure	27,162	—
	\$ 86,586	\$ 839,855

**AG-WEST BIO INC.**

## Schedule of Regulatory Expenses

Year ended March 31, 2007, with comparative figures for 2006

		2007		2006
Salaries	\$	51,255	\$	—
Travel		25,514		—
Seminars/Workshops		1,854		—
Office		1,663		1,901
	\$	80,286	\$	1,901

**AG-WEST BIO INC.**

## Schedule of Health &amp; Wellness Expenses

Year ended March 31, 2007, with comparative figures for 2006

	2007	2006
Agri Food Innovation Fund		
Projects	\$ 9,680	\$ 259
Telephone	1,645	3,578
Bank charges	64	135
Salaries and contracts	—	86,809
Public relations	—	28,426
Publishing and printing	—	16,461
Memberships and subscriptions	—	4,179
Advertising	—	2,396
Office supplies	—	2,398
Miscellaneous	—	—
Consulting	—	—
Professional fees	—	205
CARDS		
Business development - IFT	33,788	87,373
Saskatchewan Agriculture and Food		
NHP Workshop Series		
Business development - NHP	—	14,996
	\$ 45,177	\$ 247,215

**AG-WEST BIO INC.**

## Schedule of Bio-Products &amp; Bio-Processes (CARDS) Expenses

Year ended March 31, 2007, with comparative figures for 2006

	2007	2006
Meeting and event participation	\$ 14,533	\$ 12,082
Bio-products seminar sub program	7,848	2,831
Delegations	3,789	3,231
Communications program support	3,327	2,885
Sponsorship	2,000	–
Bank charges	60	76
BPS showcase display	–	2,100
Bio-product cluster development support	–	1,809
Committee and initiative participation	–	785
	\$ 31,557	\$ 25,799