

**SECTION 62 – DIVISION I PROPOSAL  
MINUTES OF MEETING OF CREDITORS**  
\_\_\_\_\_ Meeting      \_\_\_\_\_ Reconvened

**ESTATE NAME:** FarmPure Seeds Inc.

**ESTATE NO:** 22-1105522

**MEETING DATE AND TIME:**

**LOCATION:** Hilton Garden Inn  
90 22<sup>nd</sup> Street East – Estevan Room  
Saskatoon, SK

**OFFICIAL RECEIVER:**

**SIGNATURE:** \_\_\_\_\_

**TRUSTEE:** Naida Kornuta

**SIGNATURE:** \_\_\_\_\_  


**NOMINATIONS**

1. \_\_\_\_\_

2. \_\_\_\_\_

**MOVED** \_\_\_\_\_

**SECONDED** \_\_\_\_\_

**THAT THE FOLLOWING INDIVIDUALS BE APPOINTED INSPECTOR:**

1. Lloyd Johns - Volunteered with no opposition

2. \_\_\_\_\_

3. \_\_\_\_\_

4. \_\_\_\_\_

5. \_\_\_\_\_

**THAT THE PROPOSAL/AMENDED PROPOSAL DATED: October 2, 2008**  
**BE ACCEPTED**

**A. Voting in favour of the motion (unsecured class)**

# 59 Creditors with claims totaling \$ 6,212,471.55

**B. Opposed to the motion**

# 19 Creditors with claims totaling \$ 324,189.83

**C. Abstaining**

# 26 Creditors with claims totaling \$ 337,202.68

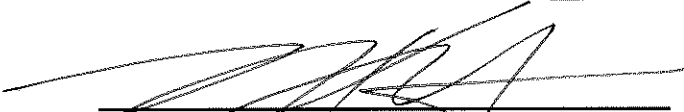
CARRIED Yes  
(majority)

UNANIMOUSLY Yes  
(2/3 value)

**OTHER BUSINESS**

**Minutes attached**

**MEETING ADJOURNED THIS 23<sup>rd</sup> DAY OF October, 2008**

  
\_\_\_\_\_  
Chairperson

# **Minutes – First Meeting of Creditors of FarmPure Seeds Inc.**

## **1. Meeting called to order at 10:43 a.m.**

Introduction of Trustee, Naida Kornuta

The first meeting of creditors in the matter of the proposal of FarmPure Seeds Inc. I have been nominated by the Official Receiver to chair this meeting and shall decide any questions or disputes and from any decision of the chair the creditor may appeal to the court under Section 51(3) of the Bankruptcy and Insolvency Act (BIA).

The purpose of the meeting as set out in Section 102(5) of the BIA shall be to

- Consider the proposal of FarmPure Seeds Inc;
- Appoint inspectors
- Vote on the proposal

I have tabled the following documents

- Proposal
- Statement of Affairs
- Trustee's Preliminary Report to Creditors
- Trustee's Subsequent Report to Creditors
- Proof of publication of the notice of meeting
- Proof of mailing

I declare this meeting is properly called and duly constituted.

Meeting was recorded for future reference and was provided to the Trustee on disk.

## **2. The Proposal and Voting Procedure**

Claim must be proven to be eligible to vote. Creditors may vote in person, by proxy or by voting letter.

Trustee has been named proxy by a number of creditors but the Trustee has also received voting letters from this number of creditors.

Any creditor present who has filed a voting letter may vote in person thereby overriding any previous voting letter.

### **3. Disputed claims**

There are no disputed claims at this time.

There are a number of claims that have not been properly filed and supported and therefore not admitted for voting. The claim can be completed and will be admitted for dividend once properly filed.

The claim of FarmPure Genetics Inc. which is referred to in my report has been filed and admitted based on the documentation provided for voting purposes. The Trustee has requested all source documents to review and these will be delivered Monday Oct 27, 2008.

### **4. Trustee's Report on the Proposal**

Detailed explanation of the content of the Trustee's Report to creditors.

Identified a typing error under section 4.2. Numbered company listed as 6932729 Canada Ltd. when should have been listed as 6932720 Canada Ltd.

### **5. Questions**

Extensive discussions regarding intercompany advances between FarmPure Seeds Inc., FarmPure Inc., FarmPure Global Inc. and FarmPure Foods Inc. All indications are the advances were made as part of the expansion but the corporations involved do not have the ability to repay. These potential receivables are subject to the priority claim of the secured creditor and therefore unavailable to the unsecured creditors.

Discussion regarding seed licenses acquired by FarmPure Genetics Inc. from breeders and consideration paid for the acquisition. Concerns were raised regarding the admittance of FarmPure Genetics Inc. as an unsecured creditor and what support had been provided by the claimant. The Trustee advised the claim was reviewed and expenses appear to be supportable but copies of all source documents have been requested for review.

Creditors posed questions to Pickseed Canada Inc. regarding ongoing operations and also requested to hear Pickseed Canada Inc.'s intention regarding the intercompany advances as a secured creditor. Pickseed Canada Inc. was not in a position to discuss their intentions regarding the intercompany loans.

The meeting was adjourned for twenty minutes at the request of the creditors.

### **6. Appointment of Inspectors**

Lloyd John (Zelma Acres) volunteered to become an inspector in the proposal and there was no opposition.

## **7. Vote**

Be it resolved that the Proposal filed pursuant to Division I of the Bankruptcy and Insolvency Act, dated October 2, 2008 be accepted.

- Majority in number of votes
  - 75.64% voted in favour and 24.36% voted against.
- 2/3<sup>rd</sup> in dollar value of Claims
  - 95.04% voted in favour and 4.96% voted against
- Creditors abstaining from voting
  - 26 creditors abstained with claims totalling \$337,202.68.

Meeting adjourned at 1:26 p.m.

District of Saskatchewan  
 Division 02 - Saskatoon  
 Court No. Q.B. No. 1096 of 2008  
 Estate No. 22-1105522

Voting Summary

In the matter of the proposal of  
 FARMPURE SEEDS INC.  
 of the city of Regina  
 in the Province of Saskatchewan

**Result of Voting**

As at vote # 1 held on October 23, 2008

| Class | Total # |     | Dollar Value of Claims |              | Percentage by Votes |       | Percentage by Value |       | Result |          |          |
|-------|---------|-----|------------------------|--------------|---------------------|-------|---------------------|-------|--------|----------|----------|
|       | Votes   | Yes | No                     | Yes          | No                  | Yes   | No                  | Yes   | No     | By Votes | By Value |
|       | 78      | 59  | 19                     | 6,212,471.55 | 324,189.83          | 75.64 | 24.36               | 95.04 | 4.96   | App.     | App.     |

**List of creditors**

| Class | Type | Creditor Name                                       | Account # | \$ Admitted for Voting | Voted By | Vote    |
|-------|------|-----------------------------------------------------|-----------|------------------------|----------|---------|
| U     |      | A & K Enns Trucking Ltd.                            |           | 4,099.05               |          |         |
| U     |      | Agassiz Seed Farm Ltd.                              |           | 33,532.13              |          |         |
| U     |      | Stults Scientific Eng. Corp.                        |           | 31,121.00              | Letter   | For     |
| U     |      | Ag-Quest                                            |           | 72,294.86              | Letter   | For     |
| U     |      | Dakota's Best Seed                                  |           | 10,327.55              | Letter   | For     |
| U     |      | Zuelzer USA Seeds LLC                               |           | 4,920.05               | Letter   | For     |
| U     |      | Alberta Beef Magazine Ltd.                          |           | 2,509.50               | Letter   | For     |
| U     |      | Don Wilson                                          |           | 16,843.94              | Letter   | Against |
| U     |      | Wild Rose Seeds Inc.                                |           | 29,091.12              | Letter   | For     |
| U     |      | Western Producer                                    |           | 26,747.52              | Letter   | For     |
| U     |      | Weigh-Tronix Canada ULC                             |           | 599.20                 |          |         |
| U     |      | Weighill Farms                                      |           | 40,877.29              | Letter   | For     |
| U     |      | Brian Wallis                                        |           | 11,136.00              | Letter   | Against |
| U     |      | Randy Tulloch-River Ayr Farms                       |           | 23,428.78              |          |         |
| U     |      | Les & Wendy Trowell                                 |           | 12,715.51              | Letter   | For     |
| U     |      | Triple L Farms                                      |           | 13,608.00              |          |         |
| U     |      | Top Notch Pallet Systems Ltd.                       |           | 4,347.65               | Letter   | For     |
| U     |      | The Leader Post                                     |           | 1,586.82               | Letter   | For     |
| U     |      | Harold Thesen                                       |           | 9,886.11               | Letter   | For     |
| U     |      | Anachemia Science                                   |           | 7,795.24               | Letter   | For     |
| U     |      | Anchor Paper Company                                |           | 4,043.84               |          |         |
| U     |      | Annex Publishing & Printing                         |           | 16,505.52              |          |         |
| U     |      | Bailey Brothers Seeds Inc. c/o Scott Phelps & Mason |           | 81,263.29              |          |         |
| U     |      | Larry Temple                                        |           | 3,335.88               |          |         |
| U     |      | Syngenta Crop Protection Canada Inc.                |           | 866,085.09             | Letter   | For     |
| U     |      | Straw Track Manufacturing Inc.                      |           | 3,000.00               | Letter   | For     |

**List of creditors**

| <i>Class</i> | <i>Type</i> | <i>Creditor Name</i>                     | <i>Account #</i> | <i>\$ Admitted for Voting</i> | <i>Voted By</i> | <i>Vote</i> |
|--------------|-------------|------------------------------------------|------------------|-------------------------------|-----------------|-------------|
| U            |             | STOR-IT Mini Warehouse Ltd.              |                  | 1,065.75                      |                 |             |
| U            |             | Tony Barros                              |                  | 15,216.61                     | Letter          | For         |
| U            |             | Bayer CropScience                        |                  | 1,112,087.53                  | Letter          | For         |
| U            |             | St. Boniface Bag Co. Ltd.                |                  | 18,434.93                     | Letter          | Against     |
| U            |             | Lyle Black                               |                  | 8,450.38                      | Letter          | For         |
| U            |             | Bonis and Company Ltd.                   |                  | 269,309.92                    | Letter          | For         |
| U            |             | Canadian Western Agribition              |                  | 1,400.00                      | Letter          | For         |
| U            |             | Bernie Carpenter                         |                  | 9,821.55                      | Letter          | For         |
| U            |             | Seed-Link Inc.                           |                  | 25,386.97                     | Letter          | For         |
| U            |             | Schiltroth Ent. Ltd. c/o Mark Schiltroth |                  | 3,653.08                      | Letter          | For         |
| U            |             | CIMBRIA Technologies Canada Inc.         |                  | 11,516.90                     | Letter          | For         |
| U            |             | Cdn Malt Barley Tech Centre              |                  | 23,320.00                     | Letter          | For         |
| U            |             | Sask Tel Mobility                        |                  | 3,723.84                      | Letter          | For         |
| U            |             | Sask. Canola Growers Assoc               |                  | 1,650.00                      | Letter          | For         |
| U            |             | Countryside Equipement                   |                  | 2,937.89                      |                 |             |
| U            |             | S&T Farms                                |                  | 17,859.75                     | Letter          | For         |
| U            |             | Russel Crittenden                        |                  | 23,443.66                     | Letter          | Against     |
| U            |             | Glen Crittenden                          |                  | 5,958.11                      | Letter          | Against     |
| U            |             | Royal Oak Inn & Suites                   |                  | 3,973.71                      | Letter          | For         |
| U            |             | Derrick Crittenden                       |                  | 35,532.45                     | Letter          | Against     |
| U            |             | Rosenau Transport Ltd.                   |                  | 2,153.33                      |                 |             |
| U            |             | Brian Robins                             |                  | 2,535.83                      | Letter          | For         |
| U            |             | Hugh Roberts                             |                  | 11,235.57                     | Letter          | For         |
| U            |             | Fidel Delaurier                          |                  | 575.00                        |                 |             |
| U            |             | Discovery Seed Labs Ltd.                 |                  | 34,153.88                     | Proxy           | For         |
| U            |             | Eugene Dupuis                            |                  | 6,849.21                      | Letter          | For         |
| U            |             | ECO Seeds                                |                  | 7,489.65                      | Letter          | For         |
| U            |             | Elemental Motion Media                   |                  | 13,314.47                     | Letter          | For         |
| U            |             | Issues Ink                               |                  | 12,709.50                     | Letter          | Against     |
| U            |             | Joe Jensen                               |                  | 9,290.77                      | Letter          | For         |
| U            |             | J.M.R. Farms                             |                  | 7,631.72                      | Letter          | For         |
| U            |             | Zelma Acres c/o Lloyd Johns              |                  | 24,472.37                     | Proxy           | Against     |
| U            |             | Allen Eros                               |                  | 21,394.38                     | Letter          | For         |
| U            |             | John Tucker Trucking Ltd.                |                  | 6,380.27                      | Letter          | For         |
| U            |             | Farm Business Communications             |                  | 8,199.78                      |                 |             |
| U            |             | Ries Brothers                            |                  | 7,203.40                      | In Person       | Against     |
| U            |             | Gilles Favreau                           |                  | 19,909.80                     |                 |             |
| U            |             | Dan Flegel                               |                  | 6,263.32                      | Letter          | For         |
| U            |             | Terry Fluney                             |                  | 10,545.25                     | In Person       | Against     |
| U            |             | Larry Kozak                              |                  | 22,539.55                     | In Person       | Against     |
| U            |             | Kelly Pylatiuk                           |                  | 10,372.17                     |                 |             |
| U            |             | KRAMER CAT LTD.                          |                  | 5,544.63                      |                 |             |
| U            |             | Purolator Courier Ltd.                   |                  | 1,232.31                      |                 |             |
| U            |             | Brent Freedman                           |                  | 17,832.21                     | In Person       | Against     |

### List of creditors

| <i>Class</i> | <i>Type</i> | <i>Creditor Name</i>                                     | <i>Account #</i> | <i>\$ Admitted for Voting</i> | <i>Voted By</i> | <i>Vote</i> |
|--------------|-------------|----------------------------------------------------------|------------------|-------------------------------|-----------------|-------------|
| U            |             | Printwest                                                |                  | 37,097.68                     | Proxy           | For         |
| U            |             | Wayne Friske-101113283                                   |                  | 3,026.78                      | Letter          | For         |
| U            |             | Precision Appraisal Services                             |                  | 9,401.20                      | Letter          | For         |
| U            |             | Poulin's Pest Control                                    |                  | 780.13                        |                 |             |
| U            |             | Harold Leib                                              |                  | 2,302.98                      |                 |             |
| U            |             | Pickseed Canada Inc.                                     |                  | 1,378,705.00                  | Letter          | For         |
| U            |             | Lyndon Olson Farms Inc.                                  |                  | 2,284.47                      | Letter          | For         |
| U            |             | Darrel Lyons                                             |                  | 7,173.65                      | In Person       | Against     |
| U            |             | Dennis Magnus                                            |                  | 8,586.61                      | Letter          | Against     |
| U            |             | Walter Goy                                               |                  | 1,031.40                      | Letter          | For         |
| U            |             | Roy Groeseth                                             |                  | 1,045.72                      | Letter          | For         |
| U            |             | Richard Gryba                                            |                  | 34,719.84                     | Letter          | Against     |
| U            |             | Manyan Inc.                                              |                  | 3,654.97                      | Letter          | For         |
| U            |             | John, Asley & Jason Perrin                               |                  | 31,659.73                     |                 |             |
| U            |             | Paul Perrault                                            |                  | 18,781.05                     | In Person       | Against     |
| U            |             | Maxwell Farms Inc.                                       |                  | 1,853.55                      |                 |             |
| U            |             | Dave McBain                                              |                  | 2,136.71                      | Letter          | For         |
| U            |             | Ernest Holinaty                                          |                  | 19,419.95                     | Letter          | Against     |
| U            |             | McCrea Farms                                             |                  | 13,856.93                     | Letter          | For         |
| U            |             | Hood Packaging Corporation                               |                  | 49,485.64                     |                 |             |
| U            |             | Morris Peddie                                            |                  | 4,147.79                      | Letter          | For         |
| U            |             | National Leasing                                         |                  | 1,547.99                      |                 |             |
| U            |             | Newman Farms Partnership                                 |                  | 17,322.37                     | Proxy           | Against     |
| U            |             | Ron Nicklen                                              |                  | 10,867.32                     |                 |             |
| U            |             | Parsons Seeds Limited                                    |                  | 675.00                        | Letter          | For         |
| U            |             | The Pathfinders                                          |                  | 6,136.00                      | Letter          | For         |
| U            |             | Gord Pearse                                              |                  | 18,054.25                     | Letter          | For         |
| U            |             | Ed Jakubowski                                            |                  | 11,534.99                     | Letter          | Against     |
| U            |             | FarmPure Genetics Inc                                    |                  | 1,763,678.00                  | Proxy           | For         |
| U            |             | Federated Co-operatives Ltd.<br>& Twin Valley Co-op Ltd. |                  | 189,278.65                    | Letter          | For         |
| U            |             | Robert H Stocks                                          |                  | 3,291.25                      | In Person       | For         |
| U            |             | Boissevain Select Seeds Ltd.                             |                  | 5,306.92                      | Letter          | For         |
| U            |             | Friendly Acres Seeds Farms<br>Inc.                       |                  | 12,448.21                     | Letter          | For         |
| U            |             | Ministry of Finance<br>Saskatchewan                      | 1566363          | 6,298.99                      |                 |             |

## ATTENDANCE LIST






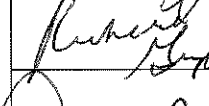
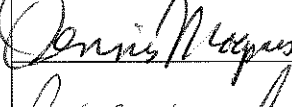


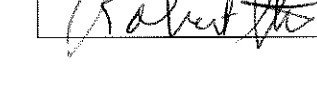
**PROPONENT(S):**

James Bissell  
Jodi Boach *ad. Prod*

**TRUSTEE/TRUSTEE'S REPRESENTATIVE:**

Naida Kornuta 

**CREDITORS AND REPRESENTATIVES:**

| SIGNATURE                                                                           | NAME (print)  | REPRESENTING    | AMOUNT             |
|-------------------------------------------------------------------------------------|---------------|-----------------|--------------------|
|    | Larry Ries    | Ries Bros.      | 7203 <sup>40</sup> |
|    | Zelman Rogos  | Pickseed        |                    |
|   | Terry Ewenda  | Pickseed        | 0                  |
|  | Noreen Johns  | Zelma Acres Ltd |                    |
|  | Lloyd Johns   | Zelma Acres Ltd | \$24,472.37        |
|  | Richard Gnyba | Richard Gnyba   | 34,719.84          |
|  | DENNIS MAGNUS | DENNIS MAGNUS   | 29,742.37          |
|  | Bill Weighill | Weighill Faber  | 40,877.29          |
|  | DARRIN LYONS  | Darrin Lyons    | 7173.65            |
|  | Robert Stocks | SELF            | 3291.75            |







