



Fertilizer & Commodity Chemicals Company

BUSINESS PLAN

AGRONIX ORGANICS, INC.

1666 West 75th Avenue, 2nd Floor
Vancouver, British Columbia V6P 6G2
Canada

Agronix Organics, Inc., plans on becoming a leading biotechnology firm, licensing technology for the conversion of common agricultural residue into environmentally friendly, bio-stabilized organic fertilizers and soil-enhancers, plus a host of related products. This plan, created by Concord Business Development, Inc., of Vancouver, raised \$1.7 million for the company.

- HIGHLIGHTS
- EXECUTIVE SUMMARY
- COMPANY OVERVIEW

HIGHLIGHTS

Industry and Sector: Biotechnology/Fertilizers, Commodity Chemicals

Mission Statement

Agronix Organics, Inc., will be a leading biotechnology firm, licensing technology for the conversion of common agricultural residue into environmentally friendly, bio-stabilized organic fertilizers and soil-enhancers, and a range of commodity chemicals produced on-demand, including ethanol for alternative fuel use. First to market with technology that offers significant advances over existing commercial methods and which uses only naturally occurring microbes during the enclosed channel bioconversion process, the company will work on a global, regional, national, and multinational basis in licensing the technology and in ongoing equity participation with licensees.

Singular Features

Fully bio-converted organic fertilizers and other products that meet or exceed criteria in current and proposed legislation; turnkey commercial-scale operations; rapid product turn-around time. Flexible, economically viable, on-demand production of chemicals to meet market requirements. Use of only naturally occurring (not genetically modified) microbes. Heavy metal contaminants changed from water-soluble to water-insoluble form.

Источник бизнес-плана: <http://www.referenceforbusiness.com>



Target Market

Technology transfer licensing program for qualified investors in North America and Europe, followed by Asia and South America.

Capital Requirements

Agronix Organics, Inc., is currently seeking US\$5 million from both private and public sources to implement its global strategy.

Use of Proceeds

Research and development costs; formulation and calibration plant, product development, and general and administrative costs; marketing of the company's Technology Transfer Licensing program.

Management Projections

By the end of Year 1, the company expects revenues to be US\$0.76 million; US\$7.80 million by the end of Year 2; and US\$34.12 million by the end of Year 3.

EXECUTIVE SUMMARY

Vision: Completing the Cycle

The problems associated with organic waste—such as animal manures, crop residues, and industrial waste—are not new. However, recent events, such as at Walkerton, Ontario, where seven people died from water contaminated by animal manure leachates, have raised many concerns about the approach Canada, the United States, and other industrial countries have chosen to deal with organic waste.

To make a significant contribution to resolving environmental pollution associated with organic waste, it is necessary to understand how Nature works. Any long-term viable solution has to be determined in accordance with how naturally produced matter is recycled through extremely small steps into essential compounds such as CO₂, H₂O, and minerals. For example, the production of plant constituents through photosynthesis is the result of several hundred minute steps, each requiring very small amounts of energy. Dead leaves on the ground are used in part by soil fauna to produce soil fauna biomass, and the least biodegradable materials are released for additional biological and chemical transformations by soil microorganisms, exoenzymes, and chemical reactions. Eventually, they are further decomposed by soil enzymes and soil microbes into more bio-resistant soil organic matter. At all of these steps, some components of the starting material are transformed into CO₂ and H₂O, but most are transformed into compounds that are more resistant to biodegradation.

It is also important to realize that the process takes time—simply adding raw agricultural residue to the soil makes it more depleted in organic matter than it was at the time the residue was incorporated. Any "artificial" process used to speed this up must increase the beneficial uses while retarding as much as possible the production of water-soluble materials or gases that contribute to air and water pollution. As well, until now, technology for the production of energy or chemicals from organic material has usually used anaerobic digestion to produce methane or fermentation to produce ethanol—and both processes have a negative impact on the environment by releasing carbon, nitrogen, and sulphur-based gases into the atmosphere and by significantly increasing the water solubility of residual organic and inorganic matter.

On the other hand, the company's technology for fully optimized bioconversion of organic residues into fully bio-stabilized organic matter follows Nature's path in producing a variety of components based on the chemical



composition and biological and chemical reactivity of the source material. In this process, the amount of water-soluble organic and inorganic matter is reduced and the production of CO₂ and H₂O is limited.

Products and Services

The company's technology consists of two technical processes that can be operated independently or in conjunction with one another. Sources of material include agricultural residue, raw livestock manures, and other organic residues (olive sludge, brewers residue, etc.). Using these technologies and working with the company's strategic partners, Agronix Organics, Inc., will develop turnkey agricultural residue processing plants for licensing to investors with the option of equity investment.

Bio-Conversion Reactor (BCR) System

Ready for industry launch, this bioconversion process goes beyond what is possible with composting and produces fully sanitized and bio-stabilized organic matter suitable for use as value-added agricultural and gardening products, soil conditioners, growth substrates and enhanced, organically based fertilizers. During the process—which takes less than half the time as the closest comparative technology—no pollution or residue is produced and the end product is completely safe for the environment.

Bio-Chemical Integrated Recycling (BCIR) System

At the engineering stage (post laboratory), this environmentally friendly process has been proven to extract from bio-residue more than 65 chemical commodities suitable for sale to industry, including ethanol as a fuel additive or alternative. Other products include: polymers, surfactants, lubricants, alternative fuels, de-icers, adhesives, pharmaceuticals, and agro-chemical product ingredients.

Marketing Strategy

Agronix Organics, Inc., will deploy its BCR technology into the North American and European market first, closely followed by its BCIR technology (in the final phases of testing). Marketing will then continue into China, Southeast Asia, Australia, New Zealand, and South America. To take advantage of the multinational and multi-industry applications of the two technologies, the company is in the process of developing a three-part, highly flexible Technology Transfer and Licensing Structure that includes the following:

Technology Transfer Region Agreements

Based nationally or within economic communities (such as Western Europe), these agreements will take the form of either a License or Joint Venture between Agronix Organics, Inc., and one or more companies or government agencies. Any agreements would center on the ability of the candidate(s) to quickly establish the program within the region defined, taking into account the impact that cultural, regulatory, and language implications would have on the market entry process. Production and sales would be organized independently within each region. Agreements would include both processes, the Bio-Conversion Reactor (BCR) System and Bio-Chemical Integrated Recycling (BCIR) System.

Regions will be established based on strategic partnerships, organic residue availability, and the quality and efficiencies of processing the residues into value-added products for the specific region.

Sales and Distribution Territory Agreements

As the company's BCR and BCIR Systems generally serve different markets, they will have separate Sales and Distribution Territory licenses, although the same group may subscribe to both. For the BCR System, the Sales and Distribution Territory Agreements will follow natural boundaries (based on what crops are grown and the



weather) rather than political ones, allowing Agronix Organics, Inc., and its regional Technology Transfer Licensee to tie into many existing marketing networks and channels of distribution. An example is the Pacific Northwest of North America. An estimated US\$1 to US\$2 million is required for a Sales and Distribution Territory; likely companies are established industry sector distributors or marketing organizations.

Production Area Licenses

Within each Sales and Distribution Territory there may be several Production Area License Plants with either or both BCR or BCIR operating licenses. Each license will be tied to a pre-established organic residue collection area that will supply the raw material required for that plant and the dedicated products it will produce.

An estimated US\$7 million will be required for a Production Area License; likely investors will be large food processors and co-ventures by groups of livestock farmers. Government funding programs may be available for some ventures. Usually covered under a Technology Transfer Region Agreement, Production Area Licenses may precede such agreements.

BCR System

The company's initial per region target segments include licensing to companies producing end products for:

- Commercial farmers, including certified and non-certified organic farmers.
- Nurseries and greenhouses, including those serving the organic farming market.
- Lawn maintenance companies.
- Parks and municipalities.
- Golf courses.
- Lawn and garden retail suppliers and home gardeners.

Competition in these areas comes from other non-chemical fertilizers and soil-enhancers and chemical fertilizers. Depending on local and national regulations and the source material used, the end product may be able to be labeled as "organic," a positive factor for marketing to organic farmers and some home gardeners (both in direct purchases and as a selling factor in choosing gardening services).

BCIR System

As the company's BCIR System is an "on-demand" method of producing chemical commodities, chemicals to be produced can be matched closely to market demand. Due to anti-pollution legislation and alternative fuel source initiatives and tax breaks introduced by most developed countries, the company expects that ethanol will be a popular end product for companies licensing the BCIR System.

Industry Analysis

The ultimate success of Agronix Organics's technology and the commercial end products of that technology are subject to trends in several overlapping market categories:

- **Availability and uses for the agricultural wastes that provide the source raw material for the company's BCR and BCIR Systems.** A 1998 report estimates that Minnesota alone produces 13.6 million dry tons of agricultural waste annually, mostly corn stover. This type of production is due to the tendency towards fewer and larger, more specialized farms, which are unable to recycle their own waste. From the National Agricultural Statistics Service (United States): "There were over 2.17 million U.S. farms in 2000, down 0.9 percent from 1999. The average farm size increased to 434 acres. Farms with annual sales of over \$100,000 accounted for 16.1 percent of all farms and for 56.1 percent of land



in farms, averaging 1,516 acres."

- **Fertilizers and other soil enhancers for agricultural and home and garden use, including chemical-based and composted products.** In the United States, fertilizer purchases amount to about 6 percent of total farm production costs. In 1997, U.S. farmers spent \$10.9 billion on chemical fertilizers, up 18 percent over 1994. The increase was due to increased fertilizer prices, increased planted acres, and increased application rates for corn over 1994. Chemical fertilizers are facing increasingly stringent government controls due to the pollution they can cause and that they don't restore the soil as organically based fertilizer can.
- **Global growth in organic farming as a market for BCR System products.** International Federation of Organic Agriculture Movements (IFOAM), the international umbrella organization of organic agriculture organizations, has around 750 member organizations and institutions in 104 countries...their February 2001 survey stated that about 15.8 million hectares are managed organically worldwide with the largest being in Australia at 7.6 million hectares. Consumer demand is increasing, making organic agriculture more viable. Total retail sales should have reached almost US\$20 billion in 2000.
- **Commodity chemicals market in general (market for end product of the BCIR System), and specifically, agricultural crops grown to produce material previously supplied by the petrochemical industry.** A 1999 United States report sets the goal of at least 10 percent of basic chemical building blocks from plant-derived renewables instead of from fossil fuel sources by 2020 and 50 percent by 2050. Already ethanol production is the third largest use of U.S. corn, utilizing about 7 percent of the corn crop and adding \$4.5 billion to U.S. farm income annually.

Organizational Development

Agronix Organics, Inc., is in the process of further developing its management base and adding key marketing staff, advisors, and associates, while bringing in specialists on a contract basis to handle aspects of the development process. At this time, the company depends on members of its Board of Directors for advice and occasional operational assistance and works in concert with both the scientific contingent guided by Dr. Daniel and the equipment/facility engineering team(s) managed by Mr. Carl Genesis.

Key Relationships

Agronix Organics has to date successfully negotiated several key strategic agreements:

1. Partnership agreement with BioMax Inc. of Quebec, Canada, in which BioMax has agreed to manufacture channel-composting systems on a worldwide basis, incorporating proprietary changes exclusive to Agronix Organics, Inc. Strategic partner Premier Tech will be responsible for building all of the heavy equipment for the operations; Elite Technologies Inc. will develop the process control and quality assurance software.
2. Agreement with DRD Consultants ("Dr. Daniel") of Ottawa, Canada, in which Agronix Organics, Inc., was able to acquire the proprietary technology developed by DRD Consultants for the treatment of organic residues.
3. Discussions between Agronix Organics, Inc., and Agriculture and Agri-Food Canada (AAFC) to complete the development of the formulations for the BCIR System. This preliminary Collaborative Research Agreement gives Agronix Organics, Inc., the exclusive world leadership position for this exciting technology.
4. Agreement with Carleton University for process engineering of the BCIR System (to build BCIR plants).
5. The Farm Credit Corporation ("FCC") of Canada has agreed in principle to provide 100 percent financing for the company's first commercial plant and all subsequent plants to be constructed in Canada, provided it falls within their mandate. This will be accomplished by a joint venture agreement



where 50 percent will be owned by participating farmers and 50 percent by Agronix Organics, Inc.

Competition

Agronix Organics, Inc., will be first to market with technology that has significant advantages from a marketing and regulatory standpoint over existing processes for the production of organic fertilizers (and related products) and commodity chemicals from common agricultural residue. No pollution is caused by either process and there are no waste by-products; the microbes used in the company's BCR System are naturally occurring, not genetically modified; any heavy metals in the source material for the BCR System are changed from water-soluble form to water-insoluble; and last, the reagents used in the BCIR System are environmentally friendly.

Such is the growing demand for environmentally safe fertilizers and chemicals, the global marketplace will support many more companies than currently exist for both these technologies—being first to market means that Agronix Organics, Inc., will be able to establish optimal operations, both from a supply and market standpoint.

BCR System

For its BCR System, Agronix Organics, Inc., faces competition from established manufacturers of organically based fertilizers and soil enhancers and manufacturers of chemical fertilizers for agriculture and home and garden use. While chemical fertilizers have a large market share, their use is facing increasingly stringent controls; as well, organically derived fertilizers are more acceptable than chemical fertilizers to a growing segment of the population.

Examined in the competitive analysis are Vivendi Environnement (USFilter/IPS) and Bedminster AB, established companies with composting operations worldwide that primarily use municipal waste in their processes, and International Bio-Recovery Corp, a Canadian start-up company. Key differentiators for the company's BCR System is the production of a fully mature bio-stabilized product (doesn't require aging) in a very short time span without any pollution or waste created and which meets or exceeds current and proposed legislation. Unlike standard composting, with the company's BCR System, heavy metals are bound in a water-insoluble form, fully protecting the environment. In addition, the company is focusing on underutilized agricultural residue as the source material, not municipal waste.

BCIR System

For its BCIR System, the company faces competition from companies involved in the production of chemicals from crops and crop waste (such as corn stover), as well as those producing chemicals from fossil fuels and other sources. Looked at are Power Energy Fuels Inc., Archer Daniels Midland, and Arkenol Inc., all of which produce ethanol for use as a gasoline additive or replacement. Differentiators for the company's BCIR System: no pollution or waste material is produced during the process and the company's process is not only more flexible in the types of chemicals that are produced (able to change to meet market demands), but the process itself is less expensive.

Use of Proceeds

During Year 1, proceeds will be used for:

- Research and development costs, including final engineering of the BCIR System.
- Construction of a working formulation and calibration plant.
- Implementation of the company's strategic marketing plan.



- General and administrative costs.
- Office and communications costs.
- Building the Agronix Organics, Inc., website.

Exit Strategy

Agronix Organics, Inc., offers investors a strong exit strategy based on Technology Transfer Region sales in Europe, China, Southeast Asia, Australia, New Zealand, and South America. The company is in the process of applying for listing on the NASDAQ BB. After the first plant is built, the company will move up to NASDAQ Small Cap, and with additional plants, to Large Cap.

COMPANY OVERVIEW

History

RCA Trading Co. (RCA Trading) was incorporated under the laws of the state of Florida on May 6, 1996. It was formed as a "blind pool" or "blank check" company for the purpose of seeking to complete a merger or business acquisition transaction. As of the end of its fiscal year ending December 31, 2000, the company had entered into an Agreement for Share Exchange ("Exchange Agreement") dated October 16, 2000, with American Waste Recovery, Inc., (AWR) a private Nevada corporation. On June 11, 2001, RCA Trading changed its name to Agronix Organics, Inc.

Presently, Agronix Organics, Inc., is a development stage biotechnology firm licensing technology for the conversion of common agricultural residue into environmentally friendly, bio-stabilized organic fertilizers and soil-enhancers, and a range of commodity chemicals on-demand, including ethanol for alternative fuel use. The company will be involved in the setup and operation of these manufacturing plants on a global basis through ongoing equity participation with licensees.

Corporate Data

Date of Incorporation	January 2000
Name of Incorporation	Agronix Organics, Inc.
State of Incorporation	Florida
Statement of Purpose	Agronix Organics, Inc., is a biotechnology firm generating its income by regionally licensing its technology and by means of ongoing equity participation.
Principal Place of Business	1666 West 75th Avenue - 2nd Floor Vancouver, BC, Canada V6P 6G2 www.AgronixOrganicsinc.com
Telephone	(604) 714-1606
Fax	(604) 714-1605
E-mail	sales@AgronixOrganicsinc.com
Fiscal Year End	December 31
Board of Directors	Peter J. Bartlett—Chairman Brian Hefferman—President/Director Dr. Henri Daniel—Director Peter Desmond—Director
Corporate Attorney	McCarthy Trench (Vancouver, BC) Frascona, Joiner, Goodman and Greenstein P.C. (Boulder, CO)
Corporate Accountant	Grant Thornton International (Vancouver, BC) Sharp & Co. (Vancouver, BC)

Date of Incorporation	January 2000
Name of Incorporation	Agronix Organics, Inc.
State of Incorporation	Florida



Statement of Purpose	Agronix Organics, Inc., is a biotechnology firm generating its income by regionally licensing its technology and by means of ongoing equity participation.
Principal Place of Business	1666 West 75th Avenue - 2nd Floor Vancouver, BC, Canada V6P 6G2 www.AgronixOrganicsinc.com
Telephone	(604) 714-1606
Fax	(604) 714-1605
E-mail	sales@AgronixOrganicsinc.com
Fiscal Year End	December 31
Board of Directors	Peter J. Bartlett—Chairman Brian Hofferma—President/Director Dr. Henri Daniel—Director Peter Desmond—Director
Corporate Attorney	McCarthy Trench (Vancouver, BC) Frascona, Joiner, Goodman and Greenstein P.C. (Boulder, CO)
Corporate Accountant	Grant Thornton International (Vancouver, BC) Sharp & Co. (Vancouver, BC)

Goals

Strategic Goals

Through hierarchal licensing agreements and equity investments, and supported by a global marketing force, Agronix Organics, Inc., will become a leading supplier of turnkey plants for the utilization of common agricultural residues and the production of organic fertilizer and soil enhancers as well as a range of commodity chemicals.

Year 1: Sales of at least one Technology Transfer Region agreement and the building of one BCR plant; processing revenues of US\$235 per tonne; and general revenues of US\$0.76 million and assets of US\$8.6 million.

Year 2: Total of 2 Technology Transfer Region agreements, 3 BCR plants and 3 BCIR plants in operation; processing revenues of US\$370 per tonne; and general revenues of US\$7.8 million and assets of US\$31.7 million.

Year 3: Total of 4 Technology Transfer Region agreements, 8 BCR plants and 7 BCIR plants in operation; processing revenues of US\$416 per tonne; and general revenues of US\$34 million and assets of US\$69.8 million.

Agronix Organics, Inc., will achieve these goals through:



- Aggressive marketing of licenses for the turnkey operations.
- Being first to market with superior technology and maintaining that lead through continued research into bioconversion processes and provision for current licensees to benefit from any advances.
- Provision of standardized quality assurance programs as conditions of the license, including proprietary operational software, centralized testing, on- and offline technical and marketing support, and comprehensive training.
- Private label, branding, and co-branding initiatives.
- Participation in industry associations and programs.
- Active participation in government and multinational programs, including: sustainable agriculture, environmental reclamation, alternative energy, crop-based renewable resources, etc.
- Establishing close and productive relationships with strategic partners.

Short-Term Goals

The key tactics to achieve these goals over the next year are to:

- Establish a formulation and calibration plant in Canada for commercial testing of the BCR System, marketing, and training purposes, and the development of formal operational procedures and quality assurance programs.
- Complete the process engineering and operational procedures for the BCIR System technology and build a bench test plant.
- Build the company's website for marketing and technology support.
- Build an enthusiastic, achievement-oriented sales and marketing team with backgrounds in biology and experience and contacts within the agricultural industry, especially in the supply chain, for value-added products for the industry.
- Implement the company's strategic marketing plan within North America, including conducting market research to identify suitable locations for the company's plants based on supply of source materials, competition, and market demand for the bioconversion products.

Management Team

Agronix Organics has assembled a management team with impressive industry experience and contacts. In addition the company has assembled an advisory board, which consists of leading research scientists in the biotechnology industry.

Peter J. Bartlett, Chairman, Director

Peter Bartlett is the Chairman and a Director of the company. He is a co-founder of a number of restaurant companies, including Pizza Patio and Elephant and Castle. Mr. Bartlett is involved in a number of community and charitable services, for which he was honored by the Government of Canada which conferred upon him the 125th Centennial Medal of Honor for contributions to the development of Canadian society. He was recently appointed to the presidency of Variety Club International, a worldwide charity that supports children in need. Mr. Bartlett is a resident of Vancouver, B.C., Canada.

Brian Hofferma, President, CEO, Director

Brian Hofferma is the President, Chief Executive Officer, and a Director of the company. Mr. Hofferma is a founder of the company and has worked for the company since its inception. He has been an investor and developer for the past 20 years. Mr. Hofferma has a combined Economics and Commerce degree (Hons.) from Simon Fraser University and a law degree from the University of British Columbia. He is a resident of



Vancouver, B.C. Canada.

Dr. Henri Daniel, Director

Dr. Henri Daniel is a director of the company. He has been a research scientist with the Research Branch of Agriculture and Agri-Food Canada since 1974 and since 1990 he has been leading a study on the impact of bio-solids on soil agro-ecological functions and the development of value-added products from residual and naturally occurring organic matters. Dr. Daniel obtained a B.Sc. in 1981 from the University of Ottawa in plant biology and biochemistry; a Masters in Science in 1985 from the University of Montreal in Palynology, Paleocology, and Pedology; and a Ph.D. in 1989 from McGill University in Soil Sciences. He is a resident of Chelsea, Quebec.

Peter Desmond, Director

Mr. Desmond is a company Director. He has extensive international business management and marketing experience in the Waste and Sewage treatment industry. He is currently Chairman of Watercare Services, a billion dollar company, and is also Chairman of four other corporations, two of which are related to the waste industry. He holds directorships in five other corporations, including a billion dollar infrastructure company. He was previously the Chairman of one of New Zealand's first composting companies and is a New Zealand "Fellow" of the Institute of Directors. He is a resident of Auckland, New Zealand.

Ron Bain, Secretary/Treasurer

Ron Bain is a founder and the Secretary/Treasurer of the company. He studied Business, Economics and Marketing at Sheridan College in Ontario and has an extensive background as a business development manager and brand manager with major multinational companies. He is also President of Offshore Seafarm Systems Inc., an advanced technology development company which produces sea pen systems for the aquaculture industry. He is a resident of Vancouver, B.C., Canada.

Technical Advisory Board

Dr. Henri Daniel — *See Directors and Officers.*

Dr. Morris Schmidt

Dr. Schmidt obtained his B.Sc., M.Sc., and Ph.D. in Soil Chemistry from McGill University. At present he is the Emeritus Distinguished Research Scientist with Agriculture Canada. He is the co-author of the book *Humic Substances in the Environment* and the co-editor of the books *Soil Organic Matter* and *Interaction of Soil Minerals with Natural Organics and Microbes*. He has authored over 300 referred scientific papers and has received numerous awards and honors for his work in Soil Science. He is adjunct professor of Soil Science at the University of Guelph and has acted as an advisor to CIDA, Agriculture Canada, and the U.S. Department of Agriculture.

Dr. Theodore Paris

Dr. Paris is a research scientist with the Eastern Cereal and Oilseed Research Centre of Agriculture and Agri-Food Canada. He holds a M.Sc. in Agricultural Microbiology and a Ph.D. in Agronomy and Soil Fertility, both from Laval University. He is the author or co-author of 40 reports and studies on fertilizer effects and responses, plant productivity, composting, and soil management.



Carl Genesis

Mr. Genesis is the President of BioMax Inc., a company he created in 1987. He is a Professional Engineer, who received his B.Sc. in Mechanical Engineering from Laval University. Mr. Genesis has collaborated and initiated numerous composting projects in Quebec, and BioMax introduced the first in-vessel composting system in Quebec. He has been the Secretary-Treasurer of the Association Quebecoise des Industriels du Compostage (AQIC) as well as the Vice President of the Canadian Council of Canada (CCC-Quebec).

Philip Donaldson

Philip Donaldson is a chemical engineer and holds a P.Eng. along with a Bachelor of Arts. He has an extensive background in real estate development and investments through his company White Chapel Enterprises Ltd. He is a resident of Vancouver, B.C., Canada.

Business Advisory Board

Peter Desmond — *See Directors and Officers.*

Ron Bain — *See Directors and Officers.*

Ron Nelson

Ron Nelson is a graduate in Urban Land Economics from the University of British Columbia and is President of Ronald Nelson and Associates, a mortgage banker. Ron holds numerous designations relating to the mortgage and financing industry. He is experienced in producing financial models for plant expansion and international licensing.

SAGE (Strategic Advancement for Growth Enterprises, Inc.)

Principals Victor Long, Darcie Buzzer, and Tim Randall collectively have extensive experience in strategic resource development, pre- and post-production marketing, and e-marketing in the manufacturing and retail industries.

Strategic Alliances and Relationships

Agronix Organics, Inc., has developed key alliances with companies possessing the technological depth and industry experience necessary for rapid development of the company's agricultural residue processing plants:

BioMax Inc.

Based in Quebec, BioMax Inc. has developed a range of composting technology and services, and has recognized expertise in the development, construction, commercialization, and service of organic waste processing plants. Their most advanced system, RoboCompost III, was the starting point to which Agronix Organics, Inc., added proprietary improvements to develop the company's BCR System.

Agronix Organics, Inc., has acquired 20 percent (with the option of an additional 30 percent) of BioMax's third-generation RoboCompost technology and all improvements to that technology. BioMax will be responsible for process engineering and overseeing manufacturing of the turnkey bioconversion plants.



From a risk assessment by Agriculture and Agri-Food Canada (February 2001): "...BioMax's Technology is certainly the most advanced technology from an engineering perspective for the bio-conversion of organic residues. However, at this time the abiotic and biotic conditions required to fully optimize the bioconversion process is not met by the BioMax equipment. ... However, the equipment components of BioMax can easily be modified using [Agronix Organics, Inc.'s] proprietary technology without any fundamental changes. ... [and] will result in an increase of at least 20 percent in productivity for the first generation ... it could be increased by 50 to 60 percent in the second and third generation...will allow reduction of the bioconversion time from 21 days or more to 8 to 10 days...."

www.biomax.qc.ca

Premier Tech

Agronix Organics, Inc., and BioMax Inc. have contracted with Premier Tech for building all the heavy equipment required for the company's turnkey agricultural residue processing plants. Headquartered in Quebec, Premier Tech is a 75-year-old company with a multidisciplinary team of over 1,300 engineers, chemists, agronomists, technicians, plant workers, and sales and marketing specialists. With five business units, products and services include a full range of screening, sizing, and recycling equipment (through its business unit Erin Systems); development, manufacturing, and marketing of product handling, palletizing and packaging systems, custom design, and manufacture of mechanical equipment and systems; and a range of value-added agricultural/horticultural products. They sell to North American and European markets.

Premier Tech is "committed to supplying what their customers need through the ability of their business units to work as a team, delivering integrated product and services."

www.premiertech.com

Elite Technologies, Inc.

Elite Technologies is comprised of instrumentation and automation specialists, providing equipment and support software design, development, acquisition, installation, optimization, start-up, maintenance, and training services. For the company's turnkey plants, Agronix Organics, Inc., has contracted with Elite for development, installation, and optimization of the process monitoring and quality assurance software, as well as preparation of instrument data sheets and other quality assurance and training material.

Recent customers of Elite Technologies, Inc., include Merk Frost, AFG, Johnson & Johnson, JM Smucker, Noranda, Bombardier, and Grace Canada.

Organizational Development

Agronix Organics's organizational development needs will center on the ability to meet the company's financial requirements and market coverage objectives, particularly in the short term. Much of this strength is already accounted for within the founding group, but will be augmented as developing technology license relationships are solidified and specific knowledge of regional markets is required.

Personnel will be required for:



- Management and administrative functions.
- Communication and coordination functions.
- Process and product research and development.
- Operational safety and quality assurance.
- Marketing (staff and contractors).

Where top- and mid-level management and marketing capabilities are constrained by lack of direct geographic/political/industry sector experience, government implications, or language barrier limitations, the company will add the needed people through an aggressive recruitment plan. As well, the company's marketing plan, especially at the Technology Transfer Region Agreement level, is designed to allow rapid expansion into different geo-political areas.

Estimated Personnel Required

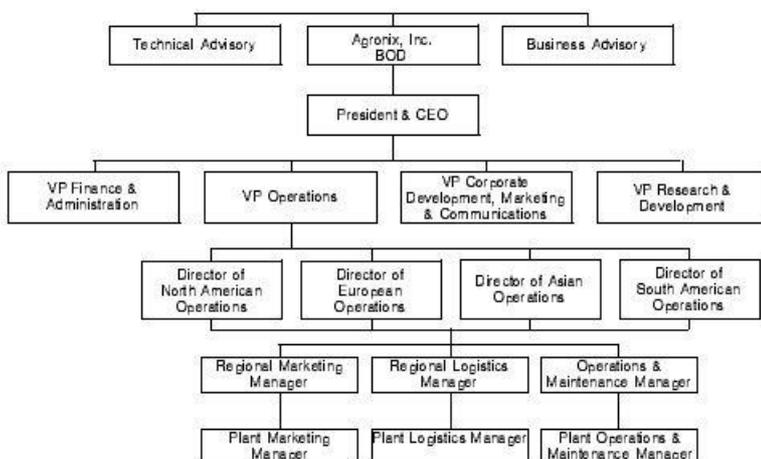
Estimated Personnel Required

Personnel Type	Year 1	Year 2	Year 3
Research and Development	4	5	5
Sales and Marketing	7	8	11
General and Administrative	8	10	10

For maximum flexibility, Agronix Organics, Inc., will use contractors for market research and for market/industry development, forming teams within each targeted area (multilingual where required). These teams would coordinate with and report to the company's marketing staff. Duties would include analysis of regulatory issues, government policies, industry, market or field science orientation, market entry challenges, the distribution process unique to each area, and preparation of contingency plans.

Agronix Organics, Inc., recognizes that ultimately, the success of individual operations is key to the success of the organization as a whole. For each Technology Transfer Region, an acceptance criterion and interrelational template will be established and refined, helping to secure only highly qualified groups. Care will be taken that all objectives coincide, equally addressing the needs of the prospective Technology Transfer Region Licensees as well as those of the much smaller Production Area Licensees and Sales and Distribution Territory Licensees.

Organizational Chart



Organizational Chart