



# PERSPECTIVES – FEEDSTOCK SUPPLIER

## Opportunities for Bio-Chemicals

Banff, Alberta – October 21<sup>st</sup>, 2014

Sugar, in addition to its food use, is going to be the “platform” for a huge range of biomaterials. We believe we are in a better position to supply non-food sugars since we are in a lower-cost position.

–Gerald Third

“Innovation is the specific instrument of entrepreneurship...the act that endows resources with a new capacity to create wealth.”

Peter F. Drucker



# Why Explore Alternative Opportunities?



- Diversification lowers risk.
- Having only one customer is not ideal.
- Provides a means to participate in value added profits.

# Why Explore Alternative Opportunities?



- Less reliance on commodity markets.
- Opportunity for long term investment growth.

# Finding a Viable Technology

- ▶ Does the technology meet a clear market need?
- ▶ Where is the technology in its development?
- ▶ Is the technology protected?



# Finding a Viable Technology

- ▶ How big a leap is the technology from what is currently available?
- ▶ Is the company that owns the technology financially stable?
- ▶ Has outside validation been completed?



“Obstacles are those frightful things  
you see when you take your eyes  
off your goal.”

Henry Ford





# A Critical Pre-Commercialization Step

- ▶ Complete a market assessment.



# About Value Chains



- ▶ Ensure that each participant has a sound understanding of what to expect from the value chain.
- ▶ Complete a feasibility study before creating a value chain.
- ▶ Have clearly defined roles and responsibilities for all participants.

# About Value Chains

- ▶ Ensure there are written contracts between the parties when material amounts are involved.
- ▶ Develop specific milestones
- ▶ and timelines for critical
- ▶ outcomes.



# Due Diligence Checklist

- ▶ Complete due diligence on, the company and each significant shareholder.
- ▶ Review financial information.
- ▶ Review Intellectual Property ownership.
- ▶ Complete a database search.



# Due Diligence Checklist

- ▶ Have discussions with related parties.
- ▶ Conduct additional due diligence, as necessary.



# Potential Traps

- ▶ Capital intensive projects.
- ▶ Technologies that require extensive further development.
- ▶ Partners with hidden agendas.



# Potential Traps

- ▶ Licensing from the wrong entity.
- ▶ Overly optimistic timelines.
- ▶ Partnering with an R & D “zombie”.
- ▶ Building in the wrong location.



# List of Agreements That May Be Required



- ▶ Confidentiality Agreement or Non Disclosure Agreement
- ▶ Project Development Agreement
- ▶ Licensing Agreement



# List of Agreements That May Be Required

- ▶ Option Agreement
- ▶ Shareholders Agreement



“Effort only fully releases its  
reward after a person  
refuses to quit.”

Napoleon Hill



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# Moving Forward with Determination!



# QUESTIONS



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## Thank You!

