

## PERSPECTIVES – FEEDSTOCK SUPPLIER

#### **Opportunities for Bio-Chemicals**

Banff, Alberta - October 21st, 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?

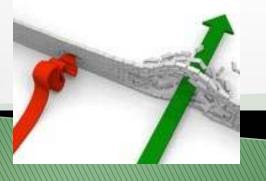
Has outside validation been completed?





#### "Obstacles are those frightful things you see when you take your eyes off your goal."

**Henry Ford** 

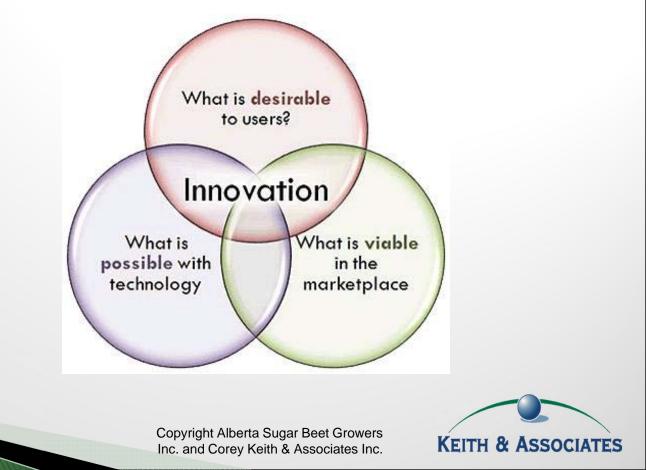


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Complete a market assessment.



#### **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.

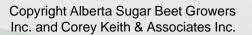


### **Potential Traps**

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** 





# Moving Forward with Determination!



ASBG Alberta Sugar Beet Growers



# QUESTIONS



(Or alternatively)

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#### Thank You!

