

A summary of the status of the Company's stock options at December 31, 2012 and 2011 and changes during the years ended on those dates is as follows:

	2012		2011	
	Number of Options	Weighted Average Exercise Price \$	Number of Options	Weighted Average Exercise Price \$
Outstanding at beginning of year	3,170,000	0.16	3,105,000	0.16
Granted	300,000	0.10	400,000	0.15
Expired	(490,000)	0.28	(225,000)	0.28
Forfeited	(40,000)	0.10	(110,000)	0.11
Outstanding at end of year	2,940,000	0.13	3,170,000	0.16
Exercisable at end of year	2,606,667	0.13	2,713,333	0.16

Subsequent to December 31, 2012, the Company granted 1,400,000 stock options at an exercise price of \$0.10 per common share to directors and employees of the Company.

E. STOCK OPTIONS OUTSTANDING ARE AS FOLLOWS:

Fair Value at grant dates \$	Exercise Price \$	Year of Expiration	Weighted Average Contractual Life Remaining (years)	December 31 2012 Number of Options	December 31 2011 Number of Options
0.09	0.10	2022	9.5	300,000	–
0.11	0.15	2016	3.5	400,000	400,000
0.06	0.10	2015	2.7	530,000	570,000
0.10	0.13	2014	1.5	900,000	900,000
0.08	0.12	2013	0.7	600,000	600,000
0.15	0.25	2013	0	210,000	210,000
0.19	0.28	2012	0	–	390,000
0.22	0.30	2012	0	–	100,000
			2.5	2,940,000	3,170,000

11. CAAP LOAN

The Company entered into Canadian Agricultural Adaptation Program ("CAAP") repayable contribution agreements for total possible funding of \$1,339,625 receivable over the period from October 7, 2010 through September 30, 2012. During the year ended December 31, 2012, the Company voluntarily decommitted \$668,557 as a result of lower anticipated project expenditures resulting in amended maximum possible funding under the agreement of \$671,068. The end date for project expenditures and start date for repayments were also extended one year to September 30, 2013 and December 31, 2014 respectively. All amounts claimed under the program are repayable interest free over eight years beginning in 2014.

As the contributions are non-interest bearing, the fair value at inception is estimated as the present value of the principal payments required, discounted using the prevailing market rates of interest for a similar instrument estimated to be 15% per annum. The difference between the fair value of the contributions and the cash received is accounted for as a government grant.