

MCI Overview

January, 2009

*Presentation to the Saskatchewan Mustard
Development Commission*

“The Mustard Capital of the World”

History

- Region competitive advantage study (ACAAFS)
 - Canola, sunflower, flax, mustard
- Mustard showed untapped potential
- Followed by pre-feasibility study (ACAAFS)
- Full Business plan (ACAAFS)
- Go ahead business decision April 2007
- Total of over 5 years from concept to business decision
- Unique support from local municipalities (4) who are shareholders

Overview of MCI

- **Canada's newest dry mustard miller**
- **Located in the heart of Canada's mustard growing region in southern Saskatchewan**
- **Private corporation with approximately 75 shareholders, half of which are farmers**
- **Milling all three mustard types, emphasis on yellow and oriental**
- **6500 square feet of manufacturing area currently**
- **Micro lab on site**
- **Land for future construction adjacent to rail and main highway (9 acres or 4.1 hectares)**

Overview of MCI, cont'd

- **Global markets – samples to over 30 countries, over 200 companies**
- **product approval, sales and prospects in 15 countries**
- **Custom services – labelling, packaging, JIT delivery**
- **Contract and purchase directly from growers**
- **New market demand with MCI's unique products**
 - Deheated/deoiled mustard
- **Challenges of year 1...**

Personnel

- 10 full time and 4 part time employees
- CEO – Tom Halpenny, AT
 - Former farmer, agriculture consultant, experience in grain marketing, executive government experience
 - Responsible for Executive Management and Sales
- VP Operations – Steve Garamszeghy
 - Former Manager, Operations for GS Dunn before change in ownership there (7 years)
 - Over 25 years milling experience
- Procurement Manager – Gordon Crone
 - Over 25 years as grain buyer, 11 years experience buying mustard for UGG, Demeter and Agricore
- Sales Associate – Kent Caplinger (part time)
 - Former Director Ingredients, Reckitt Benckiser (French's)
 - Located in Springfield Missouri
 - Technical Advisor on product, market development and key accounts

Board of Directors

- Gaetan Piche – President – local farmer
- Darcy Stefiuk – Secretary - local Sasktel employee and entrepreneur
- Dr. Bob Tyler – U of S academic, extensive work with pulse and food industries
- Denis Prudhomme – President Sask Trucking Ass'n
- Louis Stringer – Local lawyer (retired)
- Tom Halpenny - CEO

Vision of MCI

- **“Grow as we go” strategy**
- **3 Phase strategy to Market Introduction**
 - Phase 1 develop product and initiate sales
 - Phase 2 expand current facility (fall 2008)
 - Phase 3 construct new facility (fall 2009)
- **Vision to achieve up to 20,000t per year capacity with Phase 3 by 2010**
- **Customer Service focus**
 - Timely, reliable, traceability, food safety, consistent high quality, innovate to meet customers' requirements
- **Integrate into all aspects of Mustard use (biorefinery)**
 - Biofuels, pharmaceuticals/nutraceuticals, novel food use, innovative industrial use (bio-pesticide, antioxidant, etc)

Key Strengths

- Location advantage
 - buying direct from growers enables direct quality control and eliminates third party margins
 - Particularly important for competitive pricing to foreign markets
- Experienced Personnel
 - Depth of experience in sourcing and processing mustard
- Managed Growth Strategy
 - Efficient use of capital, matching growth to market opportunities

Production Contracts and Purchase Agreements

- Production contracts and Purchase Agreements
 - Favoured Farmer program,
 - Customer specific YM program, limited acreage, benefits rewarding performance
 - Yellow, oriental and brown contracts
 - FOB farm pricing, storage Oct 31
 - Flexible terms on lower grade product
 - Able to take 'bin-butts'
- Innovations
 - last year offered averaging contract
 - Good interest, little uptake
 - May consider in future rising market conditions
 - Last year offered delivery period options (maybe this fall as well)
 - Examining future mutually beneficial innovations

Contact

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