Green Oasis Foods

Reinventing Agriculture

BUSINESS PLAN

– Notice –

The information presented in this document is highly sensitive and confidential and is to be used by authorized parties for the purpose of determining a preliminary indication of interest in Green Oasis Foods Ltd., ("Green Oasis," "GOF," or "the Company.") The recipient of the Business Plan agrees by its receipt not to reproduce, duplicate, or reveal, in whole or in part, information presented herein without the written permission of the Company.

The information contained in the Business Plan was provided by the Company and other sources. It has been reviewed, approved, and released by the Company, who assumes responsibility for its contents. Estimates and projections contained herein have been prepared by the management of the Company, involve significant elements of subjective judgment and analysis, and are based on certain assumptions. Actual results may vary from estimates and projections and these variations may be material.

No representation or warranty, expressed or implied, is made as to the accuracy or completeness of the information contained in this overview, and nothing contained herein is, or shall be relied upon as, a promise or representation, whether as to the past or the future. The Business Plan does not purport to contain all of the information that may be required to fully evaluate the Company for a potential business relationship, and any recipient thereof should conduct its own independent analysis and due diligence process.

THIS PRESENTATION IS FOR INFORMATION PURPOSES ONLY AND DOES NOT CONSTITUTE AN OFFER TO SELL OR SOLICITATION OF AN OFFER TO BUY ANY SECURITY.

For additional information, contact:

Green Oasis Foods Ltd.
1090 Homer Street, Suite 300
Vancouver, BC V6B 2W9
Tel: (250) 686-4047
Website: greenoasisfoods.com
Email: info@greenoasisfoods.com

This Business Plan was prepared by:

Concord Business Development Inc.
500-666 Burrard Street
Vancouver, BC V6C 3P6 Canada
Tel: (604) 689-2556 Fax: (604) 689-7758
Website: www.concordbusiness.com
Email: info@concordbusiness.com

Green Oasis Foods
Reinventing Agriculture

“

Agriculture is our wisest pursuit, **because it will in the end contribute most to real wealth, good morals, and happiness.”**

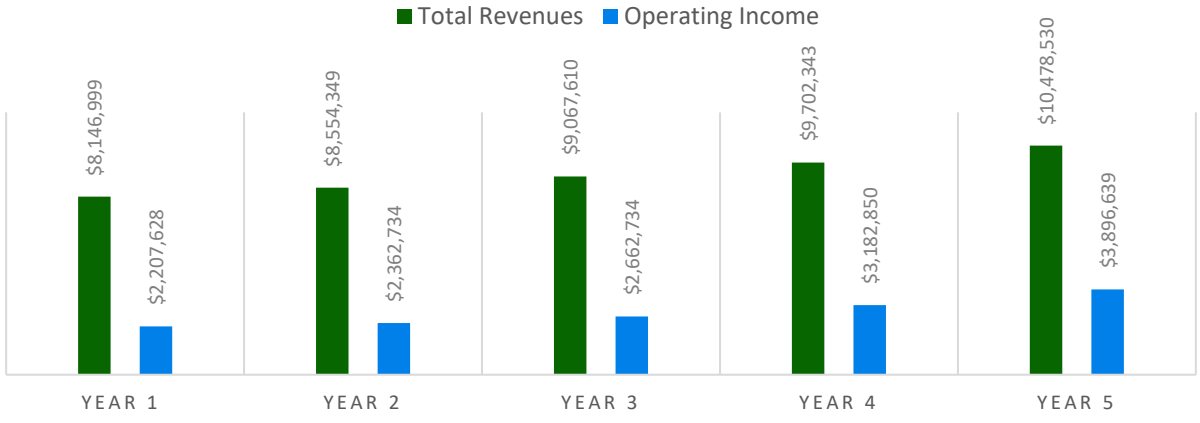
- Thomas Jefferson

Green Oasis Foods
Reinventing Agriculture

BUSINESS PLAN HIGHLIGHTS

Name of Company	Green Oasis Foods Ltd.
Business	Green Oasis raises premium organic greens, herbs, spices, medicinal botanicals and seafood in a state-of-the-art aquaponics farm. The bio-secure, fully enclosed farms also integrate processing and packaging of branded and generic SKU's. In addition, the company markets a high-quality organic fertilizer which is a by-product of the operation.
Owner-Operators	Each pilot farm contains 2.4 acres of crop area divided into 4 owner operated Vertical Farming Bays that, in total, will yield the equivalent of 21.6 acres of traditional agricultural land.
Target Market	Food service (restaurant) wholesalers, retail grocery stores, produce wholesalers, nutraceuticals suppliers, medical & cosmetics industries and the organic farming community.
Market Size	The global organic food & beverage market is forecast to reach USD $320.5 billion by 2025, with a CAGR of 16% from 2017.[1] The global aquaculture market is estimated to reach CAD $299.3 billion by 2022.[2] The global botanical extracts market is projected to reach CAD $8.05 billion by 2022, at a CAGR of 9% from 2017.[3]
Differentiators	Green Oasis has developed a unique aquaponics technology design called 'Closed Environment Vertical Aquaponics System™ (CEVAS™), utilizing the latest proven technology in control, automation, measurement and analytical functions. Moreover, just one acre of a Green Oasis Farm can produce up to 15x the produce of one acre of traditional organic farm, utilizing 95% less water per kilogram of produce.
Funds Required	Phase 1: $15,500,000 for the construction and setup of the Pilot Plant.
Revenue Projections	Year 1: $8,146,999; Year 2: $8,554,349; Years 3: $9,067,610; Year 4: $9,702,343; Year 5: $10,478,530.

TOTAL REVENUES AND OPERATING INCOME



[1] Markets and Markets, 2017: https://www.marketsandmarkets.com/Market-Reports/smart-agriculture-market-239736790.html
[2] Technavio, 2018: https://www.technavio.com/report/global-aquaculture-market-analysis-share-2018
[3] Markets & Markets, 2018: https://www.marketsandmarkets.com/PressReleases/botanical-extracts.asp

Green Oasis Foods
Reinventing Agriculture

TABLE OF CONTENTS

Executive Summary

Green Oasis Foods
Reinventing Agriculture

1. Executive Summary

1.1. COMPANY DESCRIPTION

Green Oasis Foods Ltd., ("Green Oasis," "GOF," or "the Company,") has assembled a team of world class botanists, scientists, engineers, biologists, oceanographers, managers, marketers and technologists to develop a proprietary aquaponic vertical farming system. The Company's state-of-the-art closed environment farms synergistically combine hydroponics (plants grown in water) with aquaculture (fish farming.) This new farming practice is referred to as aquaponics and is 100% organic.

Green Oasis has designed a farm management and diagnostics system titled: Closed Environment Vertical Aquaponics System™ ("CEVAS™") that combines science and technology, including Artificial Intelligence ("AI") and Machine Learning, to create a superior all-natural farming environment. Green Oasis aquaponics farms are closed environment facilities, with three initial 5,600 square metre (1.5 acres) facilities to be built in Chilliwack, Kelowna and Victoria.

On an annual basis, each of these farms will produce 66 metric tonnes of 100% organic Rainbow trout and Arctic Char in 40 rearing tanks, 326 metric tonnes of various organic leafy greens in 4 bio-secure vertical farming bays, and over 90 tonnes of high value vermicompost that can be used to revitalize depleted traditional farm land. Because they are closed environment facilities, GOF farms can be built virtually anywhere in the world, relatively irrespective of climate and geography.

Following the construction of the Green Oasis pilot farms, construction of full-scale commercial farms on a 6-acre enclosed footprint will commence within Canada and abroad.

Each vertical farming bay focuses on the year around food production of organic leafy greens within a controlled growing environment. Structured with a stable revenue and expense platform, while operating in a growing industry with measurable environmental and socially positive impact, allows for a safe investment with a healthy ROI. A 50% ownership interest has been made available in each Vertical Farming Bay. These Vertical Farming Bays provide an attractive means of utilizing the entrepreneurial immigration programs for foreign business persons looking to establish permanent residence for themselves and their families within Canada. Green Oasis will operate the fish farming operation on a corporate basis.

1.2. MISSION

> *The **mission of Green Oasis Foods** is to be at the forefront of the emerging shift toward sustainable, chemical and pollutant-free production of **healthier and measurably more nutrient dense food.***

*From **Seed** to **Table***

1.3. VISION AND VALUES

The Green Oasis vision is to use the most advanced food production systems to contribute to resolving the crisis of food insecurity and climate change in Canada and abroad. Two primary values that Green Oasis is guided by are:

- That the Company's efforts contribute to replacing polluting methods of food production with more efficient and environmentally sustainable food production.
- That all families deserve access to affordable, pure, untainted and nutritionally superior food.

Green Oasis Foods will continue to provide affordable, wholesome food to those wanting to feed their families clean and healthy food produced locally in an environmentally sustainable manner.

1.4. THE FUTURE IS IN SMART AGRICULTURE

Agriculture is often wrongly categorized as a low-tech sector. However, smart farms involve technology-driven information analysis of data acquired from the fields, and the application of inputs according to data analysis for optimal crop production. Smart farms help improve quality of food and increase farm yields with its high technology.

Moreover, sophisticated hydroponics technologies are facilitating the growth of the global aquaculture industry, with market growth estimated to reach $299.3 billion by 2022.[4] The smart agriculture market is expected to grow from CAD $10.05 billion in 2018 to CAD 18 billion by 2023, at a CAGR of 12.39% between 2018 and 2023.[5]

[4] Technavio, 2018: https://www.technavio.com/report/global-aquaculture-market-analysis-share-2018
[5] Markets and Markets, 2018: https://www.marketsandmarkets.com/PressReleases/smart-agriculture.asp

1.5. ORGANIC FOOD MARKET SIZE

According to a Zion Market Research report, the global organic food market is anticipated to reach 431.4 billion by 2024.[6] Growth in the market can be attributed to growing health concerns among consumers and increasing awareness regarding health benefits of organic food. In Canada, the total organic market is an estimated $5.4 billion, up from $3.5 billion in 2012.[7]

Consumers around the world are becoming increasingly health conscious, which has resulted in a change in their tastes and preferences. A growing number of consumers are moving towards consumption of organic food in place of conventional food, to avoid adverse health effects caused by chemical preservatives or genetically modified ingredients present in inorganic food. Moreover, the increasing popularity of organic products has significantly expanded the availability of organic food across the globe. With organic food increasingly accessible, the global organic food market is expected to witness remarkable growth in the years to come. Additional factors driving organic food sales across the globe include increasing income levels, improving standard of living, and government initiatives aimed at encouraging widespread adoption of organic products.

1.6. BOTANICAL EXTRACTS MARKET SIZE

The global botanical market is expected to reach CAD $8.05 billion by 2022, supported by a CAGR of 9.0% during the forecast period of 2017 to 2022.[8] Growing awareness of health and wellness, as well as the trend towards natural health products, expedite the adoption of botanical extracts.

Moreover, strict regulations regarding inclusion of synthetic flavours, growing population in developing countries discovering the health benefits of botanicals, increase in demand for convenience foods, and growing demand of botanical extracts in herbal medicinal and cosmetics products are the key market drivers which will support the industry growth in the forecast period. Botanical extracts are used in a wide range of industries.

These industries include food, beverages, cosmetics, and pharmaceuticals.

[6] Zion Market Research, 2018: https://www.zionmarketresearch.com/sample/organic-food-beverages-market
[7] Organic Trade Association, 2017: https://ota.com/sites/default/files/Canadian%20Organic%20Market%20Report%202017%20teaser.pdf
[8] Markets & Markets, 2018: https://www.marketsandmarkets.com/PressReleases/botanical-extracts.asp

1.7. GOVERNMENT MANDATES AND ALIGNMENT OF STRATEGIES

Green Oasis has set a trajectory that is led, supported and facilitated by all levels of government. The Canadian government has come to many of the same conclusions that Green Oasis has regarding the need for massive changes to how agribusiness is conducted in Canada. Most scientists have also made the same conclusions when measuring and analyzing the harm to the environment and the consumer as a result of the current food production regimes.

Green Oasis Foods has sculpted a path forward that readily and efficiently takes advantage of the agendas and opportunities the government has provided to create solutions to address the many identified problems caused by traditional farming methods. Working with government scientists, program facilitators and industry experts allow Green Oasis to maximize its abilities with significantly reduced investment and operating costs. Ample resources have been dedicated by various levels of government toward resolving the same problems that Green Oasis Foods provides solutions to.

1.7.1. The Federal Government

The Federal Government has taken very aggressive steps forward to fund and facilitate:

- Agriculture and Aquaculture industries' adoption of new technology;
- Revitalization of the local food production sector;
- Creating efficiencies in the production and distribution of safe foods;
- Reducing agriculture's carbon footprint;
- Eliminating chemical polluting;
- Expanding export markets;
- Securing against climate change;
- Attaining food security and food sovereignty;
- Creating job growth;
- Economic immigration.

1.7.2. The Provincial Government

Provincial governments, in addition to program alignment with most of the Federal Programs listed above, also contribute the following specific programs that will aid Green Oasis:

- Education and Training for revitalized Agri- and Aqua- food production sectors;
- Provincial Nominee Programs;
- Regional Economic Stimulation.

1.7.3. The Local Government

The local government also contributes to the above listed programs, and offers situational incentives for the industry to join their communities:

- Increasing the local tax base;
- Increasing local economic activity.

All levels of governmental support, while not critical, will help Green Oasis accelerate the introduction of advanced farming techniques and technologies into the industry, open markets for GOF products and provide excellent opportunities to those supporting the Company's efforts.

> ***Green Oasis*** *is, in part by design, a response to government recognition of and support for the need for* ***immediate and impactful solutions.***

1.8. VALUE PROPOSITION

1.8.1. Sustainability

Green Oasis Foods is at the forefront of the emerging shift toward sustainable organic foods that are free from pesticides and antibiotics, and never grown using chemical fertilizers. The Company is committed to the pollutant-free production of food that is healthier and measurably more nutrient dense.

1.8.2. Water Management

Over 70% of the planet's fresh water supply is drawn by agriculture.[9] At the current rate of population growth, it is imperative for the industry to change its approach to water management. The Green Oasis' CEVAS™ ('Controlled Environment Vertical Aquaponics SystemTM') farm management system, which carefully manages key variables within the bio-secure fully enclosed ecosystem, has already exhibited a dramatic solution to the global shortage of fresh water:

> *Green Oasis' farms will use* ***95% less water per kilogram*** *of food grow and harvest produce compared to traditional farming.*

1.8.3. Air Filtration

Just as with the Company's water, air that leaves the indoor farms will leave cleaner than it entered due to Green Oasis' state of the art HVAC filtration system.

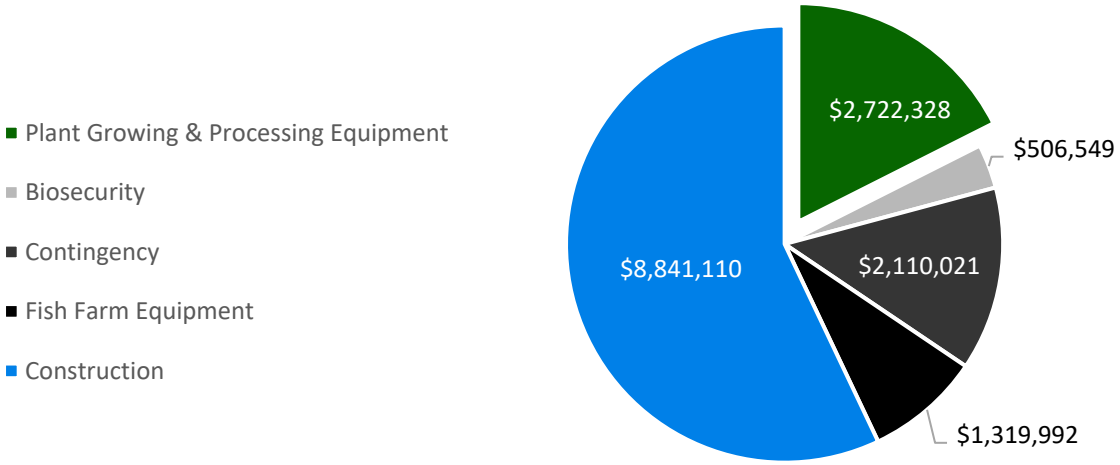
The Green Oasis Food' Pilot Facility HVAC systems have been designed in collaboration with AME Group with biosecurity in mind. The facility is separated into various zones to carefully control the environment of each crop production bay, fish farm, wormeries, office and other spaces, each with its own temperature, humidity, air exchange, odor control, and noise level requirements.

[9] GlobalAgriculture.org, 2019: https://www.globalagriculture.org/report-topics/water.html

1.9. FINANCING SOUGHT

For the purposes of this business plan, the Company is seeking to raise $15,500,000 for each of the Pilot Farms to be constructed in Victoria, Chilliwack, and Kelowna, British Columbia.

1.10. USE OF PROCEEDS



1.11. REVENUE PROJECTIONS

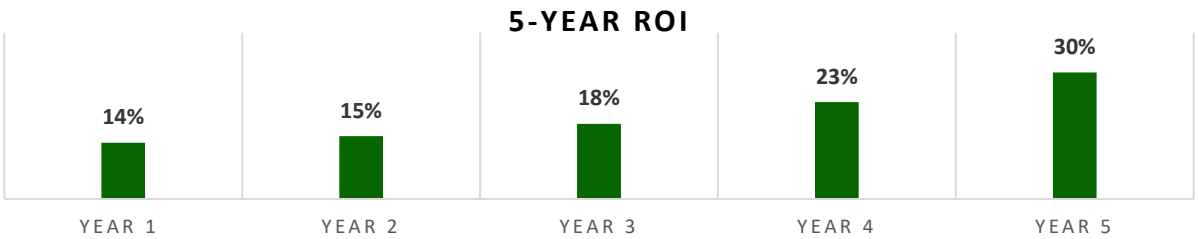
Revenue Summary

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Revenues	**$ 8,146,999**	**$ 8,554,349**	**$ 9,067,610**	**$ 9,702,343**	**$ 10,478,530**
Total COGS	$ 4,483,060	$ 4,707,213	$ 4,895,501	$ 4,993,412	$ 5,043,346
Operating Expenses	$ 1,456,311	$ 1,484,402	$ 1,509,375	$ 1,526,081	$ 1,538,545
Operating Income	**$ 2,207,628**	**$ 2,362,734**	**$ 2,662,734**	**$ 3,182,850**	**$ 3,896,639**

1.12. PROFITABILITY AND ROI

Profitability and ROI

	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	$ 8,146,999	$ 8,554,349	$ 9,067,610	$ 9,702,343	$ 10,478,530
Gross Margin	$ 3,663,939	$ 3,847,136	$ 4,172,109	$ 4,708,931	$ 5,435,185
Gross Margin (%)	**45%**	**45%**	**46%**	**49%**	**52%**
Net Income	**$ 1,083,823**	**$ 1,207,908**	**$ 1,447,907**	**$ 1,864,000**	**$ 2,435,032**
Net Profit Margin (%)	**13%**	**14%**	**16%**	**19%**	**23%**
Initial Investment	**$ 8,000,000**				
5-Year ROI	**14%**	**15%**	**18%**	**23%**	**30%**



Corporate Overview

2. Company Overview

2.1. GREEN OASIS PILOT AND COMMERCIAL FARMS

Green Oasis Foods Ltd. is a corporation formed under the laws of Canada. Its primary research facility is maintained on Vancouver Island, British Columbia. GOF is constructing what will be the first in a series of controlled environment vertical aquaponics food production facilities. With the intent to expand these operations worldwide, Green Oasis has begun the building permit process for three Pilot Farms to be located in Victoria, Chilliwack and Kelowna. Thereafter, GOF will focus on the construction and setup of a series of commercial complexes located in the following locations:

2.1.1. Pilot Farms

- **Chilliwack**
  2019
- **Kelowna**
  2020
- **Victoria**
  2021

2.1.2. Commercial Farms

- **Vancouver, British Columbia**
- **Calgary, Alberta**
- **Winnipeg, Manitoba**
- **Toronto, Ontario**

The principle business of Green Oasis Foods is the production, processing, packaging, marketing and distribution of the best quality greens, herbs and spices, medicinal plants, vegetables, fish and soil anywhere. The Company's principal strategy is to enable agri-business entrepreneurs to join in on creating new Green Oasis Production facilities, with each facility expanding production ability and capacity.

Green Oasis Foods offers agri-business entrepreneurs a unique opportunity to hold ownership in a GOF Vertical Farming Bay in one of the most advanced, efficient, sustainable, climate-proof and profitable food production systems in the world. Each complex has been designed to house multiple individually owned Green Oasis Vertical Farming Bays. Each of the bays work as individual modules which combine to create a much larger whole: The Green Oasis Closed Environment Vertical Aquaponics System™ ("CEVAS™.") The CEVAS™ Farm Management System is the heart and engine of each complex, providing the overall system the capacity to produce the economy of scale required to fulfill unmet market demands.

2.2. CORPORATE DATA

GREEN OASIS CORPORATE DATA	
Name of Incorporation	Green Oasis Foods Ltd.
Date of Incorporation	August 28, 2017
Address of Incorporation	960 Furber Road Victoria, BC V9B 2T5
Business Operations Address	Suite 300 103 Homer Street Vancouver, BC V6B 2W9
NAICS Code	112510 – Aquaculture
Telephone	(604) 788-7777
Website	greenoasisfoods.com
CTO	Steve McArthur
Legal Counsel	Darcy L. Wray, Affinity Law Group
Accounting	AMC Accounting
Directors & Officers	Steve McArthur

2.3. FOUNDERS AND MANAGEMENT

Steve McArthur | Chief Technical Officer and Director

As founder of Garden City Aquaponics, Steve is exceptionally experienced with aquaponic design, day-to-day operations, and has dedicated himself to the future of farming through this technology. Working with several well recognized engineering firms that have experience and expertise in aquaponics design and operations, Steve holds a lead position in facility design for Green Oasis. Steve has valuable experience in mechanical engineering, physics, computer science and statistics, and is currently working toward a degree in engineering. He attended aquaponic training with Nelson & Pade, NOA Fisheries, Greenfin Aquaponic Farms, You Grow Food, Devon Nurseries, and Mason St Farms. Steve investigates and integrates technologies into Green Oasis facility design and is constantly looking to improve workflow, efficiencies and profitability.

Marc LaBerge, B. Sc. | Aquaponics Specialist Consultant

Marc LaBerge is a world pioneer in commercial aquaponics farming who designed, built and operated the world's largest commercial rainbow trout and lettuce aquaponics farm for more than 10 years at Ste-Agathe-des-Monts in Québec, Canada. He is the founder of the "Quadrio" system, which maximizes profitability for closed-loop fish farms. Marc is responsible for the plans and design of a 325-tonne trout fish farm in China, the largest closed-loop fish farm in the world. Marc is also a director for the Organic Aquaculture Producers Association (OAPA.) Other contracts included: Mirabel Laitue (HydroNov Inc.), Grand Council of the Cree, Hydro-Québec, McGill University, the Laurentides School Commission, and several fish farms.

Rob S. Whittle | Director of Marketing

Rob is an accomplished marketing and advertising professional with over 30 years of world class branding and advertising accomplishments in the Canadian and International marketplace. While President of DDB Canada (owned by Omnicom), Rob presided over a team of over 500 practitioners of advertising, design, media and other specialist creative disciplines that resulted in a multi-decade run of "most awarded agency" and "agency of the year" that has never been matched in the Canadian Advertising Industry

Rob has a Bachelor of Commerce Degree (Double Major: Marketing and Economics) from the University of British Columbia and while attending UBC worked full time as a talk-show producer and broadcaster for the Jim Pattison Group. Following his graduation Rob joined Palmer Jarvis Advertising (now DDB Canada) and for over 25 years worked closely with Canadian Advertising Icon Frank Palmer (Chairman) serving as President of all DDB Canada operations.

Jason Ding | Controller

A Bachelor of Business (BBA) Graduate of Simon Fraser University, Mr. Jason Ding has been accredited with both a CPA (Chartered Professional Accountant) and CGA (Certified General Accountant) Canadian certifications. Mr. Ding has thrived in fast paced industries with over 13 years of hands-on financial and accounting management positions in a wide range of industries including Construction, Helicopters, Retail, Trucking and Software for both private and publicly traded companies.

Jason Ding has a keen sense of how important variable costs are to a production operation such as Green Oasis Foods, and will be a key management contributor from the beginning.

Steve Maxwell | Advisor

Steve has over 15 years' experience in industrial mergers, acquisitions and construction project management. He has assisted or headed the review of over 200 operating companies and has held several executive management positions focusing on: corporate finance, business development and operations management. For the past 10 years, Mr. Maxwell has been involved in the aquaponics farming industry, from R&D to the setup of commercial operations. Mr. Maxwell's broad experience and commitment to creating wealth while building healthy communities continues to assist Green Oasis in meeting the Company's vision and mission. His extensive global contacts have been instrumental in assuring GOF has the talent and resources required to move forward aggressively.

2.4. VERTICAL FARMING BAY MANAGEMENT

A Vertical Farming Bay Manager (Class A) and a production assistant (Class B) will be assigned to each Vertical Farming Bay and will work in partnership with the Green Oasis Facility Management Team. With the support of the Green Oasis Facility Management Team, each Vertical Farming Bay Manager will oversee the employees designated to their assigned Vertical Farming Bay and will handle the food production duties required for each bay.

2.4.1. Management Ramp-up and Consulting

Additional executive management positions will be filled as GOF becomes closer to operations. Working with the most recognized and experienced engineering firms and consultants in commercial aquaponics, the executive management team is focusing on engineering refinement in preparation for construction.

Green Oasis has taken the advice of the Aquaponics Advisory Council to ensure the facility design and standard operating procedures fulfil the requirements of the Certified Naturally Grown (CNG) program. This program regulates building materials and best practices, outlines procedures for daily and weekly tasks, and introduces a community-based inspection system to ensure transparency and adherence.

2.5. STRATEGIC ALLIANCES

The executive management team is currently working closely on the engineering and construction preparations in partnership with the following engineering firms:

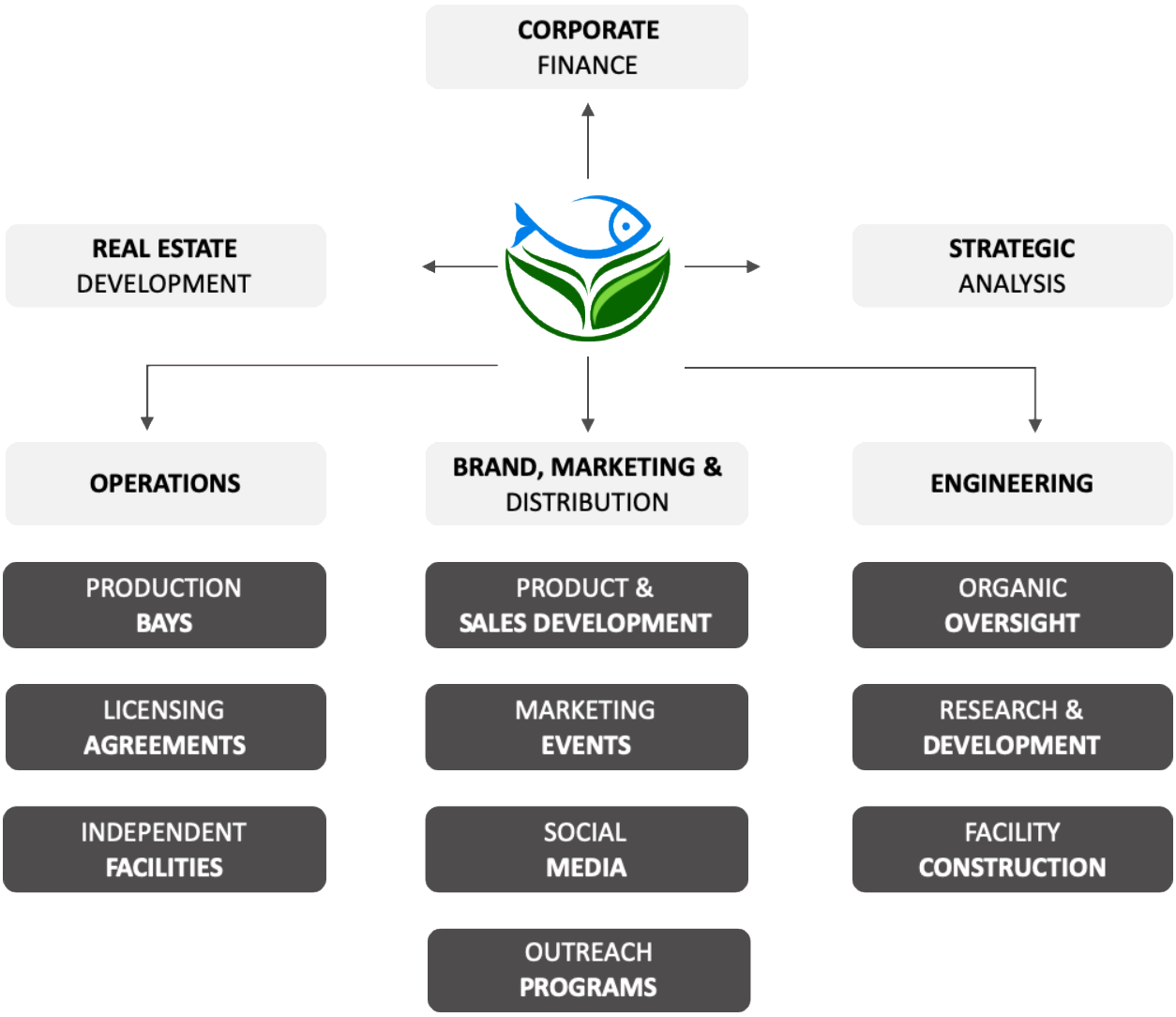
Green Oasis **Business Model**

3. Green Oasis Business Model

Green Oasis will be employing a highly effective strategic financing model promoting rapid expansion without incurring large debt. This will facilitate the Company in gaining a strong foothold in the marketplace before the eventual adoption of the GOF model by other producers.

The Green Oasis Closed Environment Vertical Aquaponics System™ ("CEVAS™") will lead the agriculture industry toward greater efficiency, sustainability and profitability. Due to its vast size and the innovative solutions employed by Green Oasis, it is unlikely that these complexes will be successfully replicated for several years.

3.1. ORGANIZATION CHART



3.2. OPERATIONS

3.2.1. Production Workflow

The Green Oasis workflow is separated into three sections: **fish farm production**, **crop production** and **organic vermicompost** at all GOF farms.

Fish Production | Raised from incubated eggs, Green Oasis fish live in the facility's nursery for three months. At the 'fingerling' stage, they are 10 cm long, and are transferred into their first of three rearing tanks for an additional 9 months. The transfers allow the fish to move into bigger tanks as they grow. Once grown to a weight of approximately 1.1kg, they are introduced to a specially designed tank to purge them for one week before they are harvested, processed, packaged and distributed. **66 metric tonnes of rainbow trout are produced annually.**

Crop Production | Green Oasis plants start from organic seeds. The Company grows them under Photobio LEDs for either 10, 21, or 42 days, depending on the crop. GOF seeds the rafts with an automated machine, which also soaks the seeds to begin their germination. After spending their time floating on water in a carefully monitored growing environment, a Raft Retrieval system brings the rafts to a harvesting and packaging system to prepare the greens for shipping. **326 metric tonnes of leafy greens, microgreens and herbs are produced annually.**

Organic Vermicompost | GOF's organic vermicompost is a byproduct of the main production systems. All the silage and roots from the plants, the fish viscera and mortalities are composted in a hotbin composter for 5 days, then transferred to flow through wormeries (for 12 weeks.) The vermicomposters harvest a thin layer of worm castings, which is conveyored to a bagging area for packaging. **Between 90-110 metric tonnes of high-quality probiotic, effective microorganism dense, micronutrient and mineral rich soil amendment are produced annually**.

3.2.2. Operational Risks

Green Oasis has designed the CEVAS™ production system to be hardened against potential risks from the ground up. These include onsite purification of all inputs, triple-redundancy monitoring sensors of dozens of environmental parameters, backup systems for critical infrastructure, a robust bio-security regime, 24/7 onsite supervision and inspection of all systems, a dedicated training program for all employees and onsite manned security.

3.2.3. Government Regulations

Green Oasis has designed its systems, facilities and operational protocols to meet or exceed the multitude of national and provincial government regulations governing its activities. Under the direction of Health Canada, the Canadian Food Inspection Agency and Agriculture and Agri-Foods Canada, these include The Food and Drug Act, the Safe Food for Canadians Act, the Fish Inspection Act, the Canadian Agriculture Products Act and the Canadian Packaging and Labelling Act.

3.2.4. Supply Chains

The Green Oasis CEVAS™ food production system has been designed to be as self-sufficient from external inputs as possible, with the exception of some packaging, power and other materials required for system maintenance. In instances where GOF does require external inputs, the Company maintains high inventories of stock to accommodate any supply issues. Additionally, as part of the normal procurement process, Green Oasis conducts quarterly reviews of all suppliers and their competition to assure competitive pricing and servicing which would enable alternative sourcing should such be necessary.

3.2.5. Quality Control

Under the direction of Health Canada, Green Oasis is currently reviewing its protocols to ensure compliance for **ISO 9001 certification**.

Green Oasis Foods
Reinventing Agriculture

+

International Organization for Standardization
ISO
9001

3.3. RESEARCH AND DEVELOPMENT

GOF is a strong supporter and cluster member of Enterprise Machine Intelligence and Learning Initiative ("EMILI.") EMILI a CEO-led not-for-profit company headquartered in Winnipeg, MB, combining Canada's industrial strengths in agriculture and artificial intelligence and machine learning. The union of these two Canadian assets is what elevates EMILI from a cluster proposal to a supercluster initiative of the Federal and Provincial Governments. The creation of the Green Oasis CEVAS™ farm operating system could not speak more directly to the key objective of EMILI: To leverage Canada's industrial strengths in AI and agriculture and to develop the most advanced agricultural economy in the world.

Green Oasis CEVAS™ system allows all farm operations to conduct advanced research into innovations and advancements in bio-science, production efficiency, environmental sustainability, profitability and carbon reduction, with the intention of maintaining its lead in the field. The facility's unique numerous enclosed Vertical Farming Bays allow for the versatility to continue to refine processes and customize environments. This results in optimum growing regimes, thus allowing GOF plants and fish to perform at their maximum production abilities.

- Green Oasis will be engaging with research incentives such as SR&ED, as well as Agricultural development and sustainability grants to make the research most cost effective.

- GOF is currently and will continue to work with multiple universities and green-, clean- and agri-tech companies on the continuing research and development on short-term data collection, the Green Oasis aquaponics farming system, independent technologies and systems review.

- The facility is designed to maximize Green Oasis' research capabilities and will be one of the most flexible and functional plant research facilities in the world for conducting long-term research and development in areas such as plant science and microbiology.

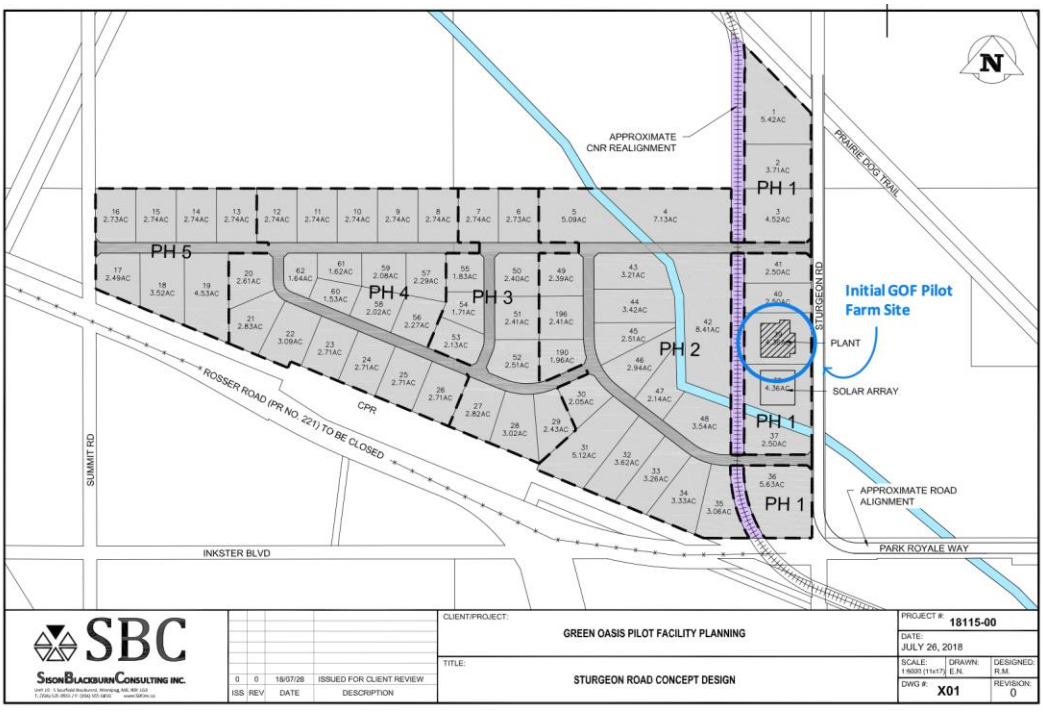
- Green Oasis will have 4 separate controlled growing environments (vertical farming bays), each with almost 26,000 sq. feet of grow space. Light, temperature, humidity and biosecurity will all be controlled separately within each vertical farming bay.

- Each of the 4 vertical farming bays with their respective fish farm acts as a separate aquatic rhizosphere.

Many of the plant cultivars available today have been selectively bred to grow best with chemical fertilizers and in soils with little microbial activity. This is essentially the opposite of the conditions that the Green Oasis system provides: high microbial activity with natural forms of nutrients. GOF will develop plant cultivars, which not only grow best in these conditions, but that will also grow more efficiently in different microbial profiles in the aquatic rhizospheres. This will allow for the development of specific microbial profiles for different crop species and cultivars which are best suited to their genetics.

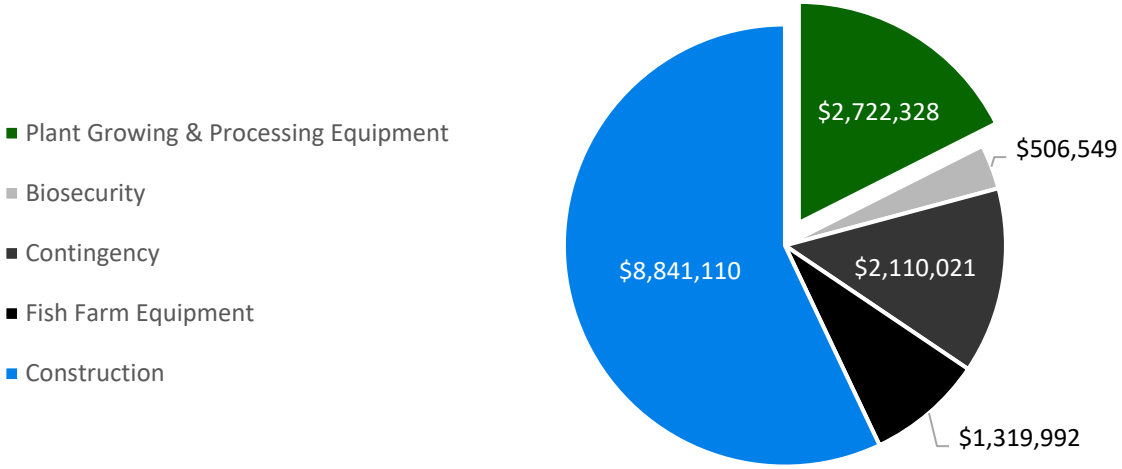
3.4. LAND DEVELOPMENT

One of the core business strategies of Green Oasis is to leverage the high social and financial value of the facilities to acquire large well-positioned agricultural land parcels that have development potential. A great example of this process is the 225.55-acre agricultural land parcel that Green Oasis identified and secured an offer on in Winnipeg, Manitoba. Green Oasis worked with an engineering firm to prepare the subdivision site plan that was used for the rezoning and subdivision application. Through the process of the initial development phases, Green Oasis accepted an offer on their interest in the project, which is expected to yield a minimum of a $2.9 million profit.



Capital Requirement

4. Capital Requirement



4.1. IMMIGRATION FUNDING MODEL

In response to the Canadian government's renewed support for and expansion of the Provincial Nominee Programs (PNP), Green Oasis has partnered with a highly respected immigration team to create the Immigration Funding Model to meet the needs of a foreign entrepreneur hoping to immigrate to Canada. Canada offers one of the most stable economies in the world (along with numerous other benefits,) and the opportunity to work with Green Oasis presents a unique and viable means of attaining permanent residence while establishing a sound economic foundation here.

Green Oasis has made 50% ownership interest available in numerous production bays that focus on leafy green production.

This capital is then used in conjunction with construction and convectional financing to setup and operate the Green Oasis Pilot Plants and main complexes.

4.1.1. The Business Investment Opportunity

A Foreign Entrepreneur will have the option to invest either CAD $600,000 (Pilot Plant) or CAD $1.2 million (Commercial Complex) to purchase 50% of a Green Oasis Food Production Bay.

4.1.2. Targeted Expansion Capital

As an attractive form of low interest rate capital, and because Green Oasis inherently models social and environmental responsibility at its core, the Company will develop internal corporate bonds to qualify for, and to be later transferred to, the green/impact/climate bond markets.

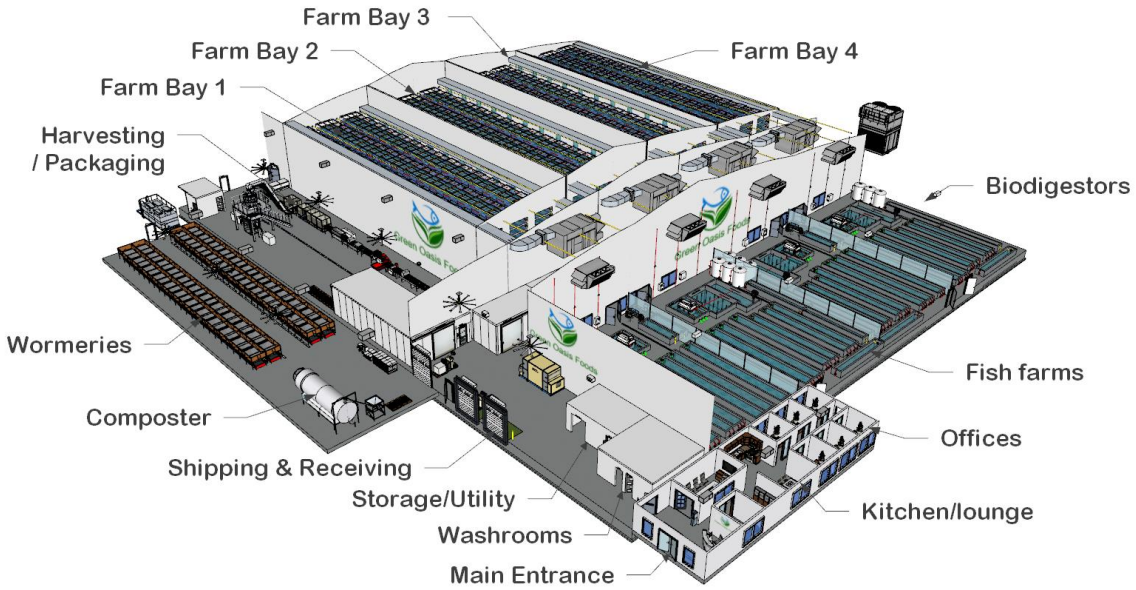
RESPONSIBLE BONDS	CLIMATE BONDS	IMPACT BOND MARKET
At the start of 2016, **global sustainable investment** reached **$22.89 trillion**, compared with $18.28 trillion in 2014, an increase of 25%. **ussif.org**	Climate finance flows reached a record high of **$383 billion** dollars in 2016. **climatepolicyinitiative.org**	There was over $9.2 Billion in assets under management as impact investments in 2015. **riacanada.ca**

CEVAS™ Technology

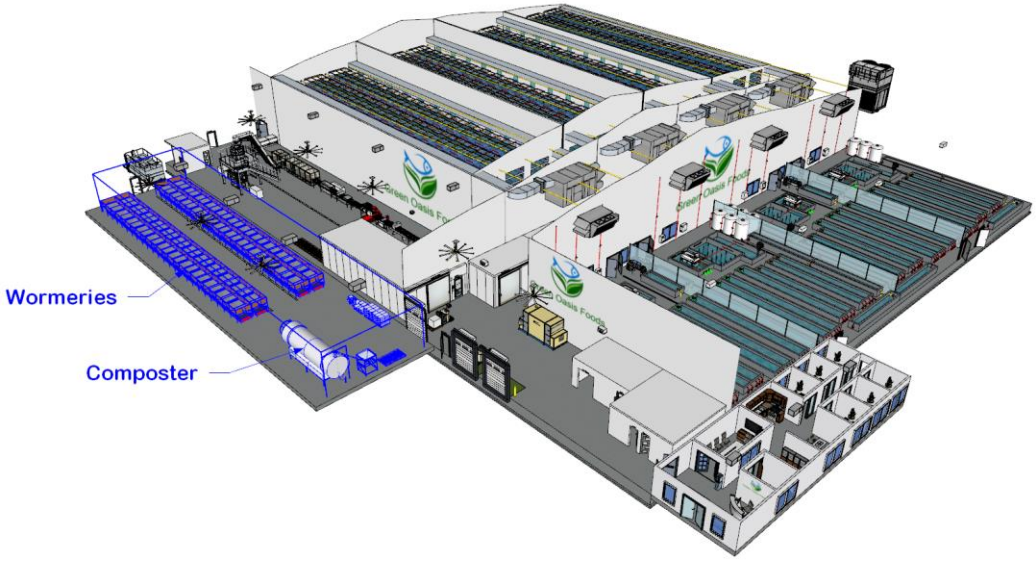
5. Controlled Environment Vertical Aquaponics System™

Green Oasis Foods has designed one of the most technologically advanced farm management systems yet called CEVAS™ (Closed Environment Vertical Aquaponics System™). CEVAS™ will assist farm personnel using machine learning and artificial intelligence. It is the largest system of its kind yet to be designed, utilizing the latest technology in control, measurement, automation and analytical functions. In essence, the Company used advanced science and technology to recreate an all-natural food production system more advanced than anything humankind has utilized thus far. GOF controls and purifies everything entering the production plant, and controls numerous variables within each Vertical Farming Bay to create ideal micro-environments for specific species of plants and fish to flourish. Green Oasis processes and packages all products to far exceed the most stringent regulations.

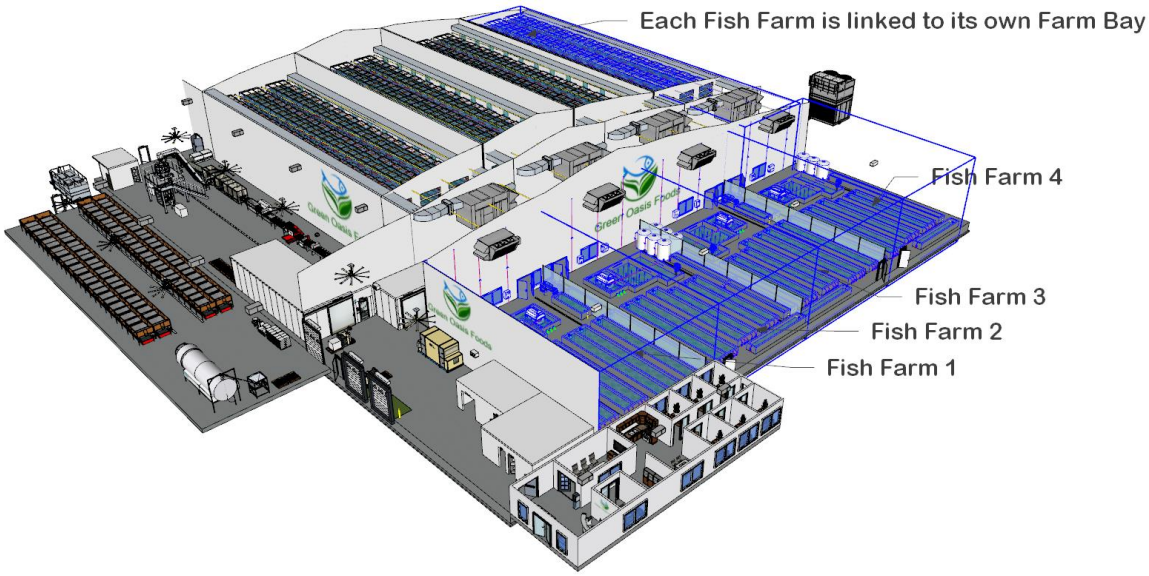
60,000 sq. ft. Pilot Farm General Layout and CEVAS™ Systems Infrastructure



Sustainability Vermicompost Infrastructure



Unique Fish Farm Cross-Feed to Crop Bays

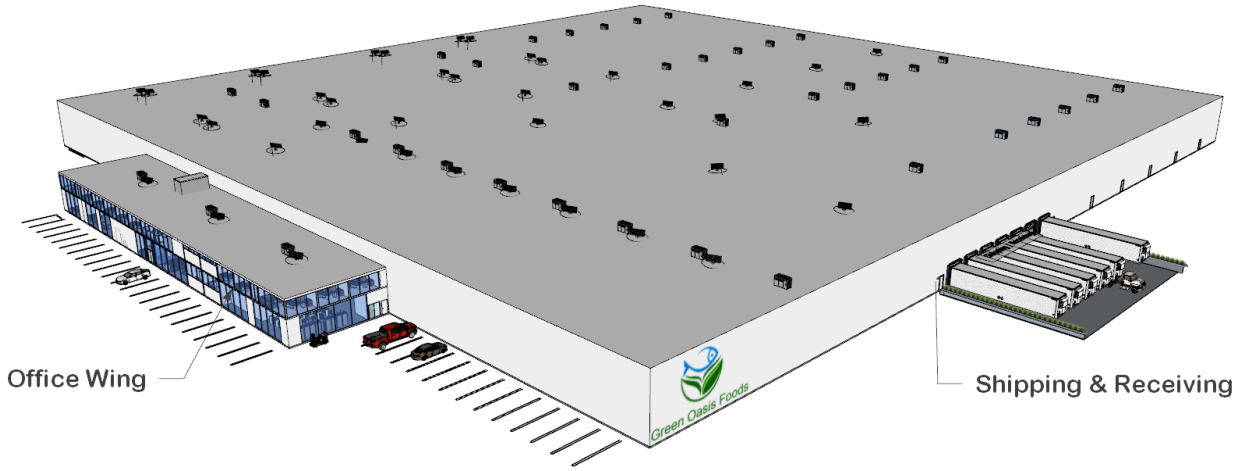


5.1.1. Commercial Complex Facility Overview

Separate purge systems consisting of a single tank and appropriate filtration technology accepts the harvested fish biomass and prepares the fish for market. Fish will remain in the purge module for up to one week (or 2-5 days), and then proceed to processing for either HoG (head-on-gutted) or 'Fillet' sales. Prepared fish are then brought to cold storage before being shipped to market. Mechanical and UV filtration, biodigestion, and degassing components are located between the fish and crop Vertical Farming Bays. This equipment is used to separate and digest solid waste matter into dissolved nutrients returns to the fish, while allowing the dissolved nutrients to remain in the ecosystem to be sent to the crop production systems.

The facility's harvesting, washing, and seeding area can process a predetermined number of rafts each week, with the machines running 14.4 hours a week. From there, product goes into a separate produce-only, to arrive into a separate produce-only cold storage unit before loaded onto trucks to be delivered to market.

330,000 sq. ft. Green Oasis Commercial Farm



5.1.2. Sophisticated Control Systems

The CEVAS™ Farm Management System utilizes sophisticated control technologies which automatically monitor and adjust plant growth parameters 24 hours a day, 7 days a week. Sophisticated control systems include:

Artificial Light Control System

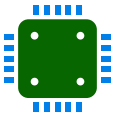
Photobio LEDs are used for providing a spectrum of light specific to vigorous vegetative growth. Through the rest of the facility, Parans fibre optic lights are used to provide natural sunlight all day and LED light at night.

Carbon Dioxide Control System

CO2 generated by each fish farm is collected by a specialized HVAC system and vented into the Air Handling Unit of the respective crop Vertical Farming Bay, thus providing optimal plant growth.

Machine Learning

The foundation of AI is the Operations Intelligence data set. The data set is carefully curated with sensor data from all aspects of the Pilot Facility's equipment, processes, and production outputs.



Artificial Intelligence

An artificial intelligence is then given the task of learning the data set and provided with Operations Intelligence Tools. Using statistical analysis, the AI is able to make and test hypotheses to draw conclusions in real-time.

Operations Management

The AI can automatically fine-tune environmental parameters within the building to boost productivity, maintain the health of the environment for the plants and fish, save on energy, and act as smart security system.

Nutrient Control Solution

The Nutrient Control System monitors and maintains the water quality parameters of the fish farms, crop production areas by precisely adding measured amounts of liquid organic additives.

Plant Productivity System

The Plant Productivity System monitors, manages and forecasts crop growing/harvest parameters.

Video Monitoring System

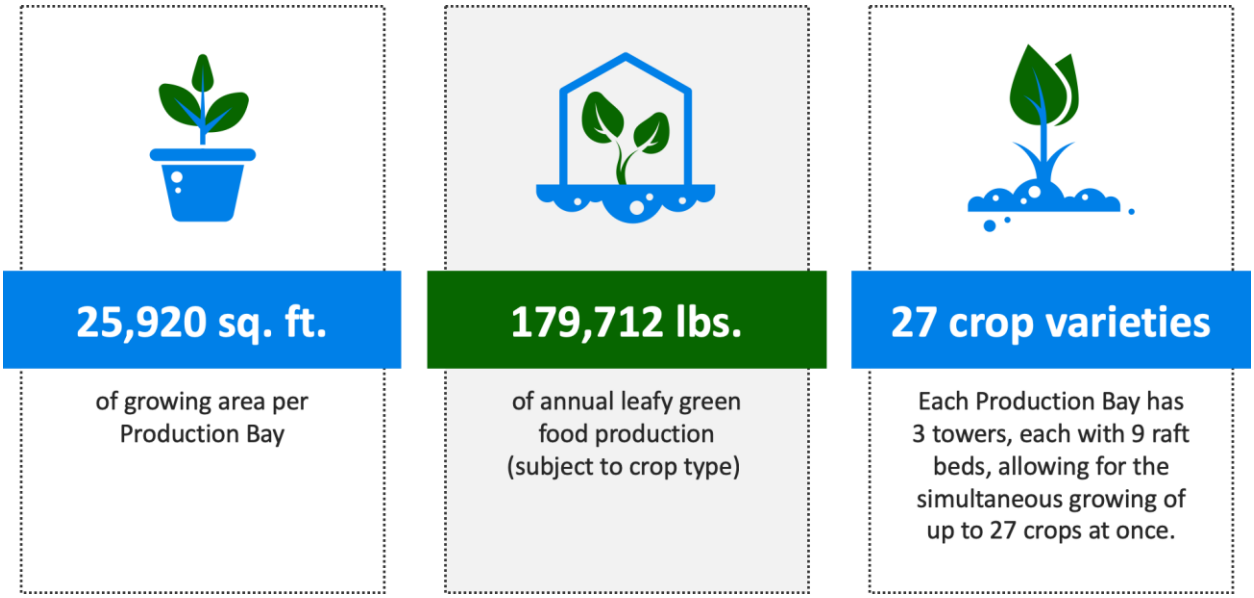
The Video Monitoring System monitors and actives video cameras in and around CEVAS™.

5.2. BIO-SECURE VERTICAL FARMING BAYS

Green Oasis Vertical Farming Bays are bio-secure environments that are pesticide, chemical and antibiotic-free, and controlled by design and process to assure that the production process results in pure and untainted food with enhanced appeal and nutrition. Vertical farming bays are working parts of the CEVAS™, designed to perform while bio-secured from other vertical farming bays. Every conceivable environmental variant is controlled, and each input is tested and treated to ensure purity. All output is rigorously tested to ensure quality control over the end product.

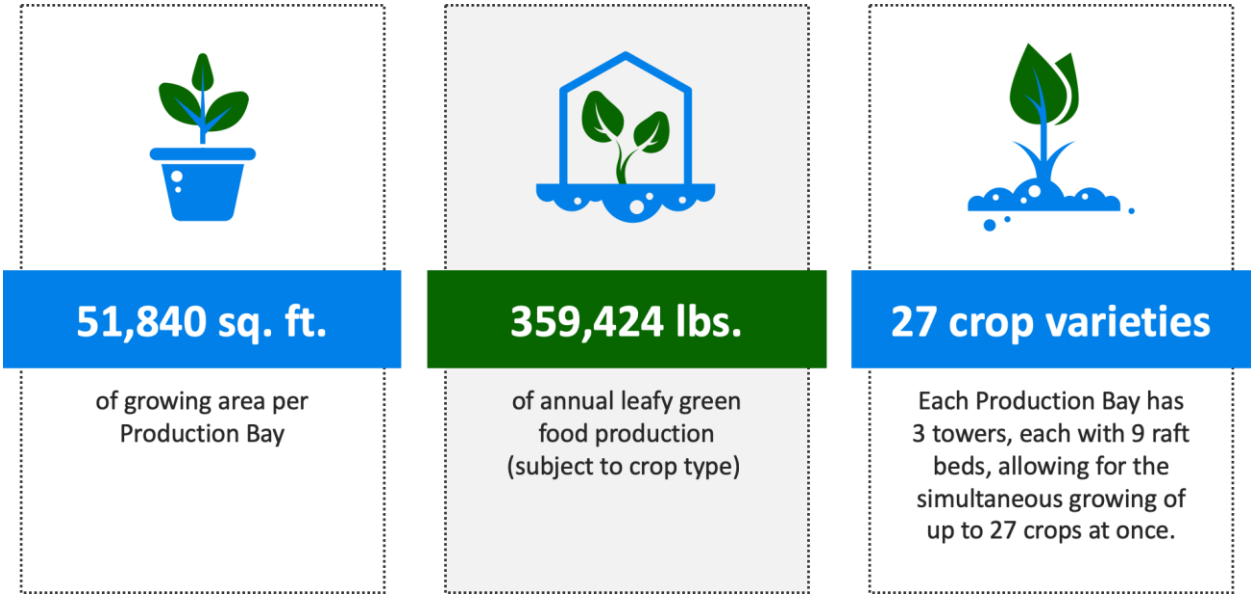
The importance of significant enhancement of Bio-Security in the Food Production Industry has been identified as one of the primary challenges faced by Canadian Agri-Business, Government, NGOs, academia and most importantly, consumers. The list of seriously harmful substances being introduced into the global food-chain is sadly enormous.

5.2.1. Pilot Facility Vertical Farming Bay Highlights (Plant Production)



- Each food production towers is **8' wide, 120' in length** with **9 levels** of floating raft beds for a **total height of 23'**
- **5 full-time employees** will maintain day to day operations in each **Production Bay**
  - 1 full time skill level A professional job positions
  - 1 full time skill level B technical job positions
  - 3 full time skill level C technical job positions

5.2.2. Commercial Complex Vertical Farming Bay Highlights



- Each food production towers is **8' wide, 240' in length** with **9 levels** of floating raft beds for **a total height of 30'**
- **10 full-time employees** will maintain day to day operations in each **Production Bay**
  - 2 full time skill level A professional job positions
  - 2 full time skill level B technical job positions
  - 6 full time skill level C technical job positions

5.2.3. Bio-Security Overview

The facilities are subdivided into multiple sections to add bio-security. The separation of one Vertical Farming Bay from another helps to prevent the spread of any potential pests, molds, or plant diseases. Separation panels are made of polycarbonate walls, insect screen fabric doors, and UV filtration on the fresh air intakes.

The pilot facility's fish farm is divided into four main sections, each of which are paired with one aquaponic raft (crop production) bay. This is done to further reduce risk for each of the Vertical Farming Bay owners. This means that if any problems occur in an ecosystem, the other 75% of the facility is an independent ecosystems and remains unaffected.

To ensure pests are not accidentally brought into the facility, employees and visitors will be required to pass through air showers and then wear washable coveralls. An example of these showers are those designed by Terra Universal. This is to protect each of the Vertical Farming Bays ensuring that product loss due to pest infestations and mold are kept to a minimum.

A → Ceiling HEPA Fan Filter Units

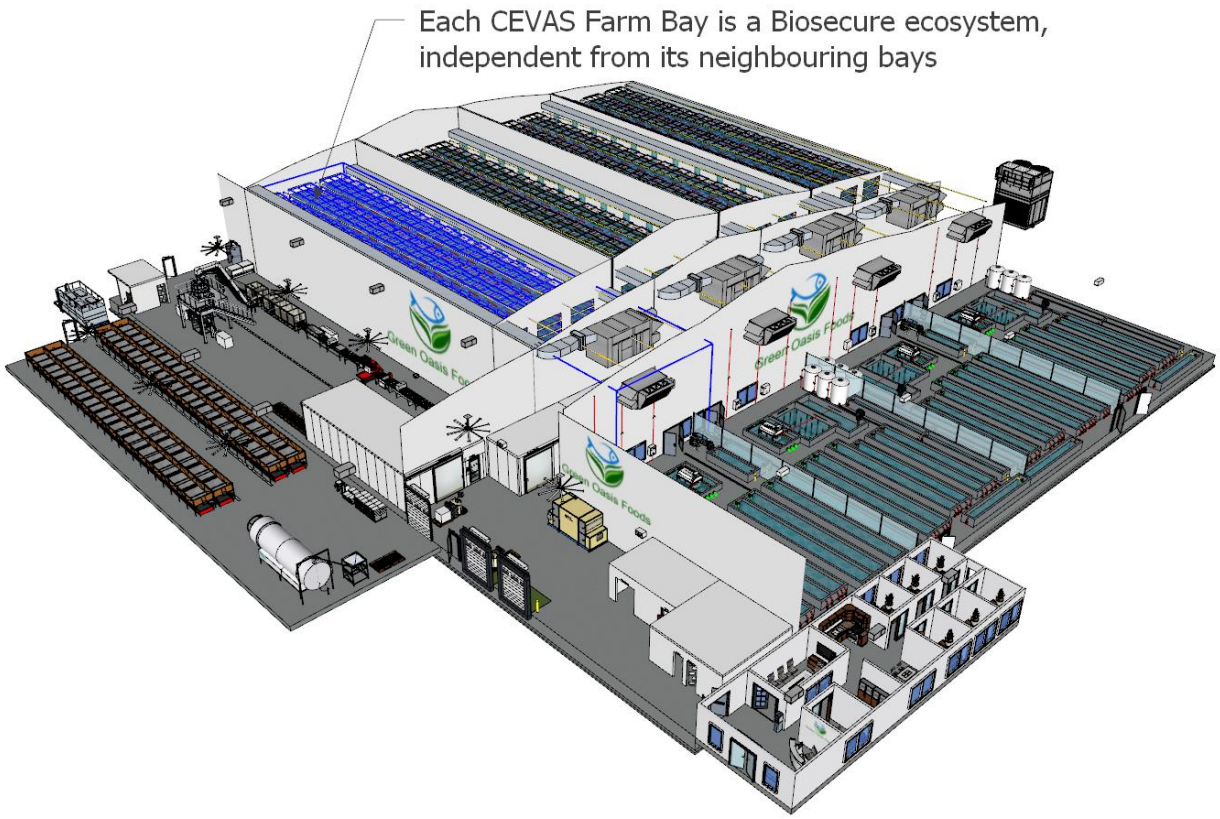
B → LED Lights

C → Control panel

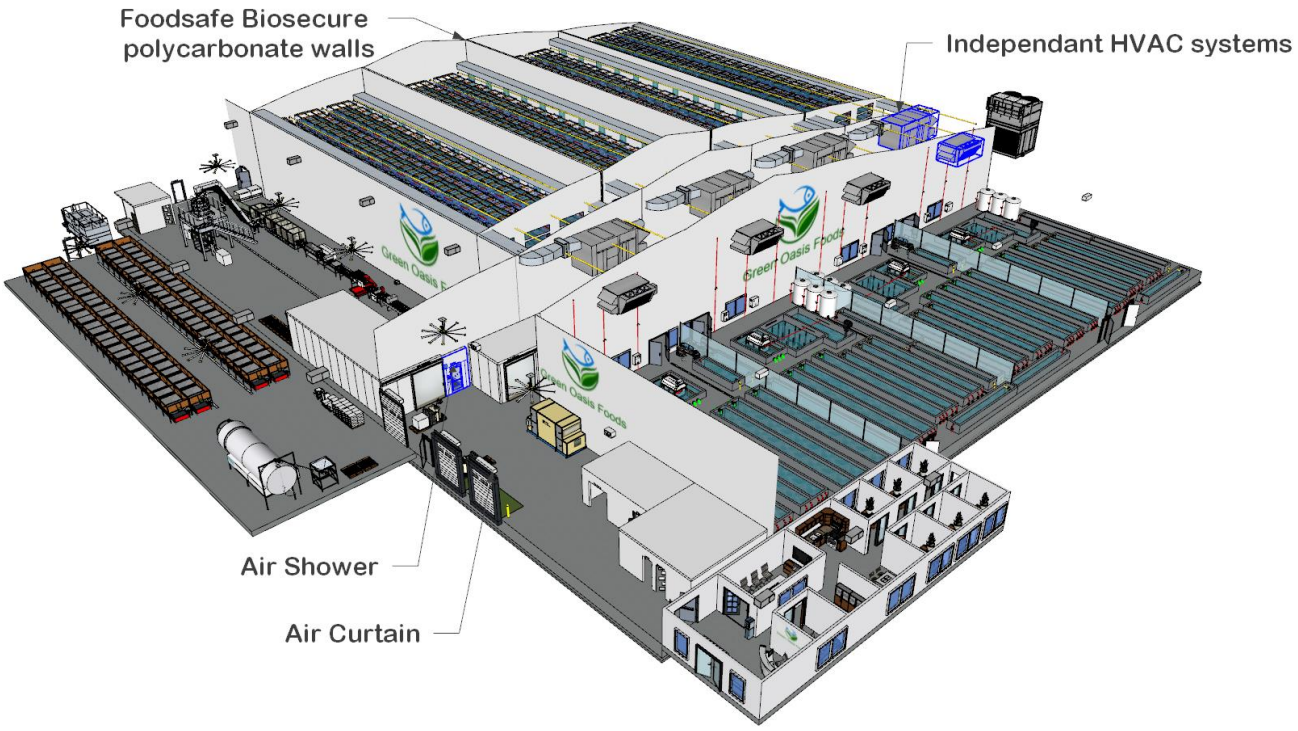
D → All-steel frame and ceiling grid

**via Terra Universal*

Crop Bay Bio-Security



Bio-Security Infrastructure



5.3. FILTRATION

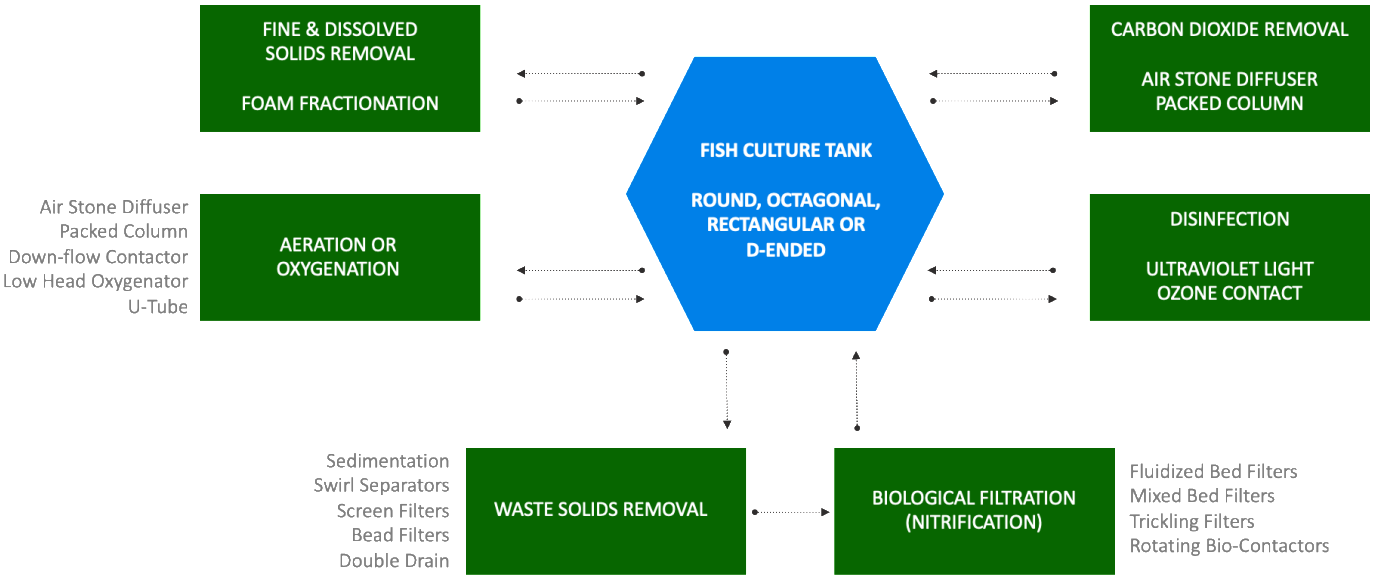
To keep tanks and water quality in the best range for the fish, the removal and mineralization of solid wastes are essential. Located between the fish and aquaponic plant production units, there are filtration and biodigestion equipment. This equipment is used to separate and digest solid waste matter into dissolved nutrients to be sent to the crop production systems.

5.4. FISH FARM PRODUCTION

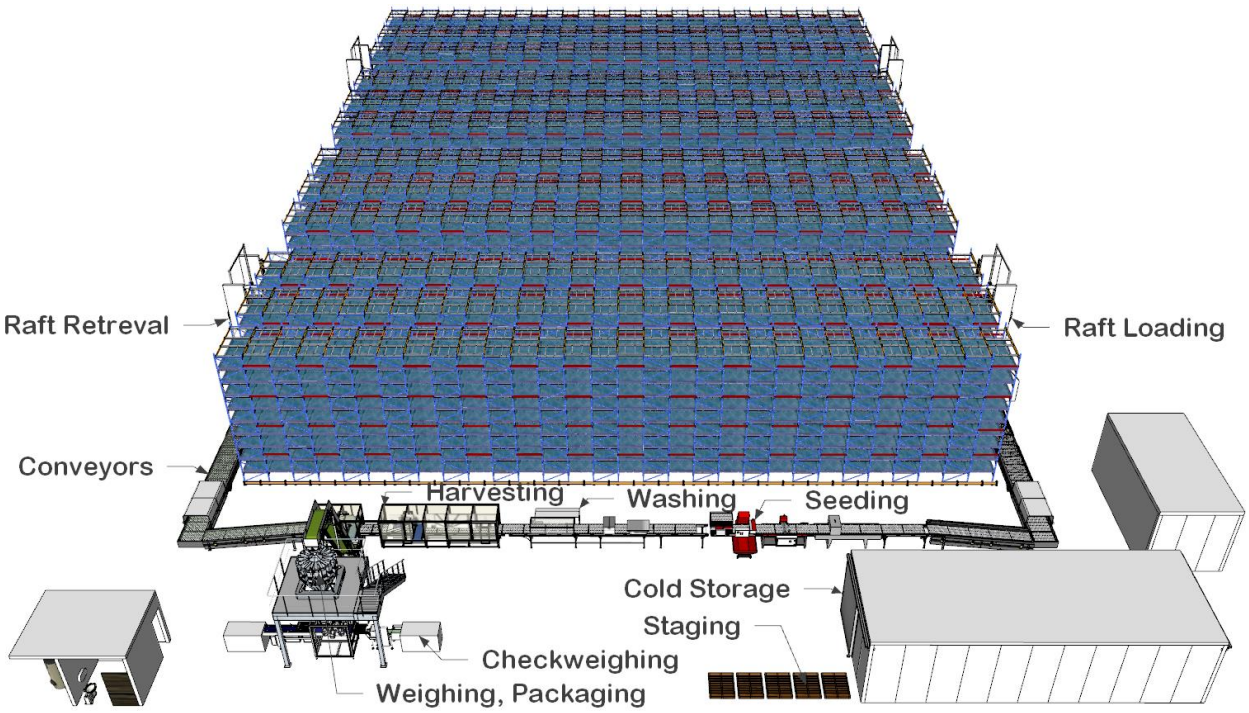
Green Oasis' Recirculating Aquaculture System (or RAS) is a highly efficient and sustainable version of fish farm production which allows for the production of 1kg fish for every 1.2 kg of fish feed. Green Oasis will have an average annual production of more than 66 metric tons of Ocean Wise certified fish per pilot facility.

In order to ensure constant quality of the fish, each facility has hatcheries, swim-up systems, and multiple tanks to properly stage the growth from egg to harvest. This enables a sustainable and reliable supply of fish for the production systems and ensure the integrity of the produce that each business unit brings to market.

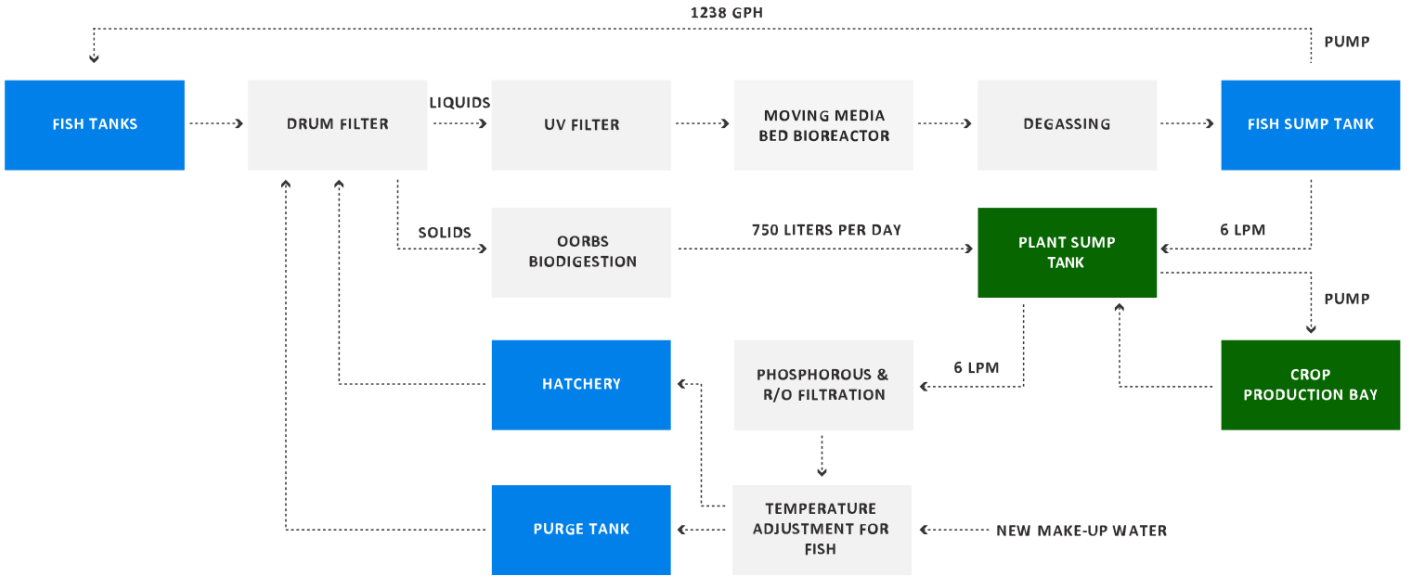
5.4.1. Recirculating Aquaculture Systems (RAS) Technology



Automatic Raft Bed Retrieval, Processing, Packaging, Storage and Re-Seeding Infrastructure



5.4.2. Aquaponic Process Flow Diagram



5.4.3. AI and Machine Learning: CEVAS™

The Green Oasis Foods Pilot Facility in collaboration with Confirmed Automation Solutions has developed a Data Warehouse, which is connected to the vast array of sensors and equipment throughout the facility. This Data Warehouse records hundreds of variables from pH, humidity, air temperatures, water temperatures, water quality parameters (e.g. nutrient levels), light analysis, production rates, volatile compounds analysis, equipment runtimes, door alarms, and many other status effects. This Data Warehouse is then interfaced with an AI to learn how best manage the variables to minimize overhead while maximize productivity.

Products & Services

6. Products and Services

Green Oasis Foods grows the highest quality organic food, including baby greens, ready-to-eat branded and bulk salad mixes, micro-greens, herbs and a wide range of premium plants for the botanical extracts industry. In addition, every farm synergistically rears Rainbow Trout and mouth-watering Arctic Char.

> *Green Oasis Organic Farm's **premium quality foods** are second to none when it comes to **freshness, nutritional content, size, texture, visual appeal and taste.***

Green Oasis Foods premium quality foods are second to none when it comes to freshness, nutritional content, size, texture, visual appeal and taste.

This is a direct result of Green Oasis products never being exposed to any chemicals including fertilizers, pesticides, hormones, antibiotics, GMOs or environmental pollutants. A strict biosecurity regime ensures above par quality control from seed to shelf. The Company's unique production and packaging processes allows for all products to have greatly extended shelf life. And our farming team can source or produce seed for a plethora of pallets in the world of mixed baby greens, micro-greens and herbs.

6.1. PRODUCTS

6.1.1. Leafy Greens

SKU #1: **BABY ARUGULA**

SKU #2: **BABY SPINACH**

6.1.2. Pre-Mixed Products

Green Oasis pre-mixed product packages come with mix-and-match options for distribution.

SKU #3: **BABY KALE MIX**

- RED RUSSIAN
- LACINATO
- RED URSA
- SIBERIAN

SKU #4: **STIR FRY BLENDS**

- BABY SPINACH RENEGADE
- TAH TSAI
- SHUGIKU FRILLY EDIBLE CHRYSANTHEMUM
- RUBY STREAKS/MIZUNA
- RED RUSSIAN KALE
- RUBY RED SWISS CHARD
- RHUBARB SWISS CHARD
- GIANT RED MUSTARD
- COLLARD GREENS

SKU #5: **ASIAN GREENS MIX**

- BABY SPINACH
- KOTSUMA
- KOTSUMA RED
- TOY CHOY PAK CHOI
- CHOI SUM
- SHUNGIKU
- BAU SIN

SKU #6: **SPRING MIX**

- AUBURN RED ROMAINE
- AEROSTAR/JERICHO GREEN ROMAINE
- FLASHY TROUT BACK ORGANIC LETTUCE
- TAMARINDO ORGANIC BABYLEAF
- GREEN LEAF ORGANIC LETTONY
- RED SALADBOWL ORGANIC LETTUCE
- GAVIOTA ORGANIC
- BUTTER CRUNCH ORGANIC LETTUCE
- MIZUNA
- ASTRO ARUGULA
- RENEGADE SPINACH

SKU #7: **POWER GREEN MIX**

- RENEGADE SPINACH
- RUBY RED/RHUBARB SWISS CHARD
- COLLARD GREENS
- RED RUSSIAN KALE
- TRIPLE PURPLE ORACH

6.1.3. Herbs and Gourmet Products

SKU #8: **VARIETY HERBS**

- DARK GREEN ITALIAN PARSLEY
- DILL TETRA GOLDKRONE
- CILANTRO SANTO
- CHERVIL

SKU #9: **GOURMET MIX**

- EDIBLE FLOWERS
- SPECKLED BUTTERHEAD
- BULLS BLOOD BABY BEET GREENS
- RADICCHIO
- RUBY STREAKS MIZUNA
- RED SORREL

SKU #10: **BASIL MENU**

- GENOVESE ORGANIC BASIL
- THAI BASIL
- LEMON BASIL
- LIME BASIL
- SERRATA BASIL
- RED OPAL/PURPLE BASIL
- SHISO BASIL
- CINNAMON BASIL
- SWEET BASIL

6.1.4. Nutraceuticals and Extracts

SKU #11: **DARK GREEN ITALIAN PARSLEY**

SKU #12: **LEMON BALM**

SKU #13: **STEVIA**

SKU #14: **RENEGADE SPINACH**

SKU #15: **HOLY BASIL**

SKU #16: **STINGING NETTLE**

SKU #17: **WATER CRESS**

SKU #18: **RED RUSSIAN KALE**

SKU #19: **FISH OIL**

SKU #20: **SPIRULINA/ ALGAE**

SKU #21: **PURSLANE**

SKU #22: **CHICKWEED**

SKU #23: **LAMBS QUARTER**

SKU #24: **ALFALFA**

SKU #25: **CABBAGE/ COLLARD GREENS**

SKU #26: **TRIPLE PURPLE ORACH**

SKU #27: **RUBY RED/RHUBARB SWISS CHARD**

SKU #28: **ROMAINE LETTUCE (PLATO)**

SKU #29: **ROMAINE LETTUCE (COASTAL STAR)**

6.1.5. Micro-greens

BEET SHOOTS

BROCCOLI SHOOTS

PEA SHOOTS

AMARANTH SHOOTS

6.1.6. Fish

ARCTIC CHAR

RAINBOW TROUT

6.1.7. Rich Organic Fertilizer

6.2. SERVICES

Green Oasis provides high-volume wholesalers, restaurants and specialty stores with the unique procurement process. This feature allows Green Oasis' clientele to custom order the products they want, specify how they want them prepared and schedule when they want them delivered. Further, the Company applies whatever processing and packaging requests that the clientele have, allowing them to choose bulk unprocessed or processed, packaged prepared salads or products, labelled with the Green Oasis brand or theirs. Finally, GOF delivers the products in bio-secure, pesticide, chemical and antibiotic-free bulk shipping containers, ensuring freshness while maintaining quality control over the products.

Market Analysis

7. Market and Industry Analysis

7.1. GLOBAL FOOD PRODUCTION

The food production industry is a vast global network of producers, processors, distributors, retailers, service entities, and the new wave of agriculture trends includes aquaponics farming systems and services. The global food and agricultural industry for 2017 was about a US$8.1 trillion market, according to Plunkett Research estimates.[10]

The industry is controlled in large part by major agri-business interests that manage to manipulate the US government into subsidizing corn, which in turn allows for the mass production of cheap food products, up to 30% of the food we eat. Foreign markets are disrupted as excess food is dumped on the open market at a cheaper price than local producers can compete with, thus killing local agri-business. This in turn facilitates the food crisis suffered globally, as chemicals, water shortage, climate change and other external factors take hold. Contributing to environmental concerns, destructive farm practices are destroying the ability to produce.

Green Oasis is invested in returning ownership and control of the food supply back to localities and into the hands of individual agri-business entrepreneurs. This is identified as one of the most significant factors behind consumers buying one product over the other. It complies with the 100-mile diet, reduces the dependence on imports, stimulates local economic activity, provides local jobs, and the most reliable, climate sensitive, sustainable source of the superior produce and fish. Importantly, this coincides with numerous government initiatives to have the exact same impact.

[10] Plunkett Research, 2018: https://www.plunkettresearch.com/complete-guide-to-the-food-industry-from-plunkett-research-2018/

7.2. AGRICULTURE IN CANADA

According to the Canadian government, the agriculture and agri-food industry contributes over $110 billion annually to Canada's GDP, which is more than the national GDP of 2/3 of the world's countries.[11] Moreover, Canada is the 5th largest agricultural exporter in the world, and the agriculture and agri-food industry employs 2.3 million Canadians (about 1 in 8 jobs.)

TOP COMMODITIES BY PROVINCE AND TERRITORY

[11] Agriculture and Agri-Food Canada, 2018: http://www.agr.gc.ca/eng/about-us/publications/we-grow-a-lot-more-than-you-may-think/?id=1251899760841

7.3. SUPERMARKETS AND GROCERY STORES

In light of numerous challenges, including stagnant earnings and frugal spending among consumers, the Supermarkets and Grocery Stores industry slowly yet steadily grew over the five years, reaching $91 billion in revenue in 2018.[12] Over the next five years, IBISWorld projects that industry revenue will continue to rise. Despite intensifying competition from alternative retailers, grocery stores are anticipated to benefit from rising health concerns, which will entice more consumers to purchase organic, all-natural and value-added products at industry establishments. In addition, the strengthening economy will help boost per capita disposable income levels, benefiting the industry.

7.4. FRUIT AND VEGETABLE WHOLESALING

According to Esticast's report, "Nutraceuticals Product Market," the fruits and vegetable market held nearly 43% of the total functional food segment in 2016.[13] The fruit and vegetable wholesaling industry experienced moderate revenue growth over the five years to 2018, reaching a market size of $10 billion, primarily as a result of increasing food prices.[14] Over the five years to 2022, IBISWorld expects revenue to increase in response to better economic conditions, health concerns and rising food prices. Industry revenue is anticipated to increase.

The introduction of "pure" food into the healthy and organic food sector is expected to drive up demand for products and buoy the entire sector with the increased media attention that will accrue. Green Oasis products will raise the bar considerably and capture the top end of the market (along with its profit margins) based on quality alone. Competitive and stable pricing will benefit both the market and consumers, most particularly by taming the seasonal fluctuations in availability and price.

7.5. ORGANIC FOOD MARKET

The market for healthier food choices continues to expand faster than supply can keep up with. Green Oasis' target markets include high volume wholesalers, restaurants and specialty stores. This market continues to be grossly under-served globally. All markets lack the production capacity to meet the "insatiable" demand for healthy food. Further, foreign buyers are paying higher price premiums which is resulting in a majority of Canada's organic and healthy foods being diverted abroad.

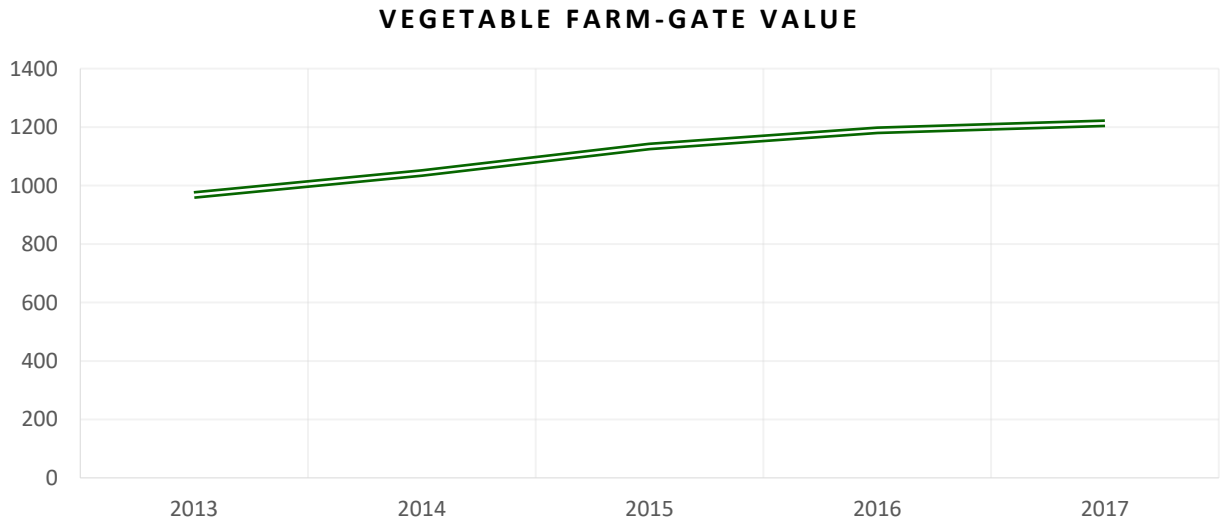
[12] IBISWorld, 2018: https://www.ibisworld.ca/industry-trends/market-research-reports/retail-trade/supermarkets-grocery-stores.html
[13] Esticast Research, 2017: https://www.esticastresearch.com/press-release/nutraceuticals-market-forecast
[14] IBISWorld, 2018: https://www.ibisworld.ca/industry-trends/market-research-reports/wholesale-trade/fruit-vegetable-wholesaling.html

7.6. ORGANIC FOOD MARKET IN CANADA

The farm-gate value of Canadian fruit and vegetable was $2.3 billion in 2017.[15] Favourable weather conditions resulted in increased production, which contributed mainly to this growth.

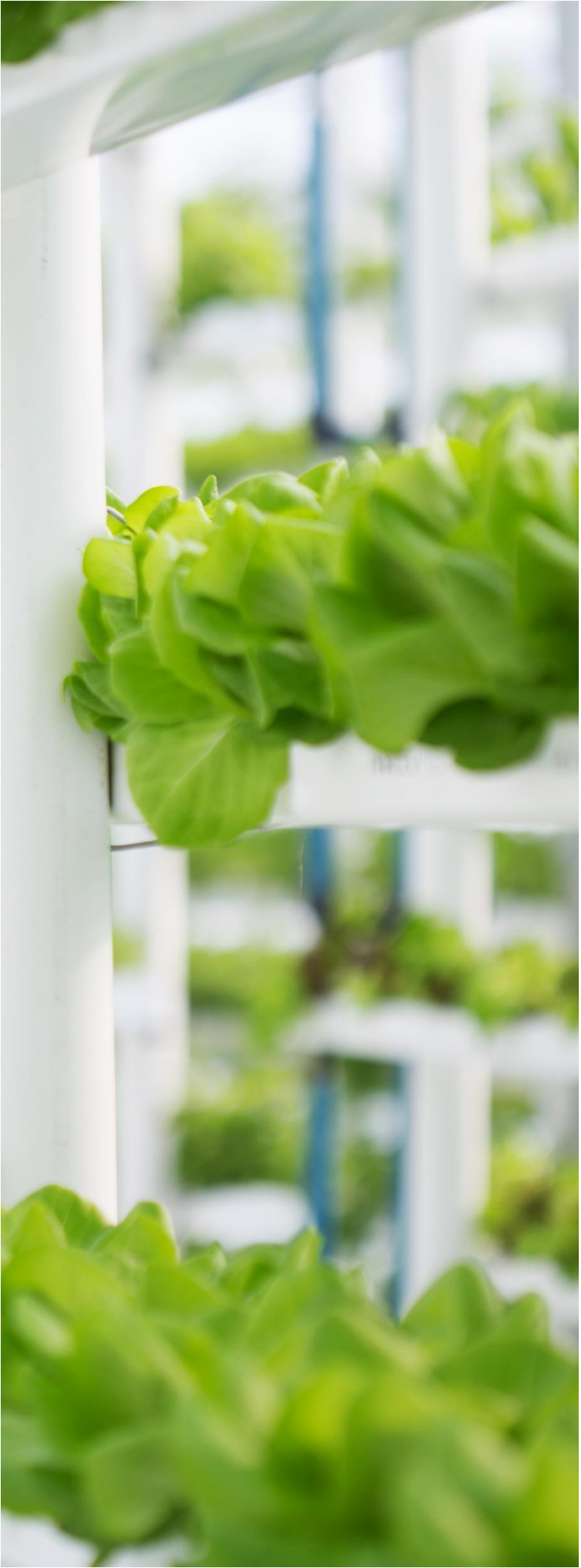
Total fruit and vegetable cultivated area rose to 236,354 hectares in 2017. Area dedicated to fruit cultivation amounted to 132,685 hectares, while vegetable area totaled 103,669 hectares. Ontario, Quebec and British Columbia accounted for 89.9% of total vegetable cultivated area and 65.3% of total fruit cultivated area.

The value of vegetables continued to grow in 2017, up 2% to $1.2 billion. Carrots, tomatoes, lettuce, dry onions, sweet corn, broccoli and peppers accounted for more than 50% of the total value of field-grown vegetables in Canada, with tomato sales totaling $110.1 million and lettuce totaling $78.4 million.



** via Statistics Canada*

[15] StatCan, 2018: https://www150.statcan.gc.ca/n1/daily-quotidien/180212/dq180212a-eng.htm



56%

2016

|

66%

2017

Percent of Canadian grocery shoppers ***buying organic groceries weekly.***

Source: Organic Trade Association 2017

7.6.1. Organic Food Consumers in Canada

Canada's Organic Trade Association (COTA) released their second comprehensive Canadian Organic Market Analysis in November 2017. Key findings are as follows:

- There is a high demand for organic fruits and vegetables (76% in 2017) among the Canadian grocery shoppers who buy organic food.[16]
- 80% of organic food consumers indicated that they purchase organic foods from regular grocery stores or supermarkets.
- Millennials are key drivers of the organic market with 83% purchasing organic food and beverages – the highest of any generation, and households with children are more likely to buy organic products than households without – 19% of the weekly grocery bill for households with children goes toward organic items, compared to 12% for those with no children.

7.7. GLOBAL NUTRACEUTICALS MARKET

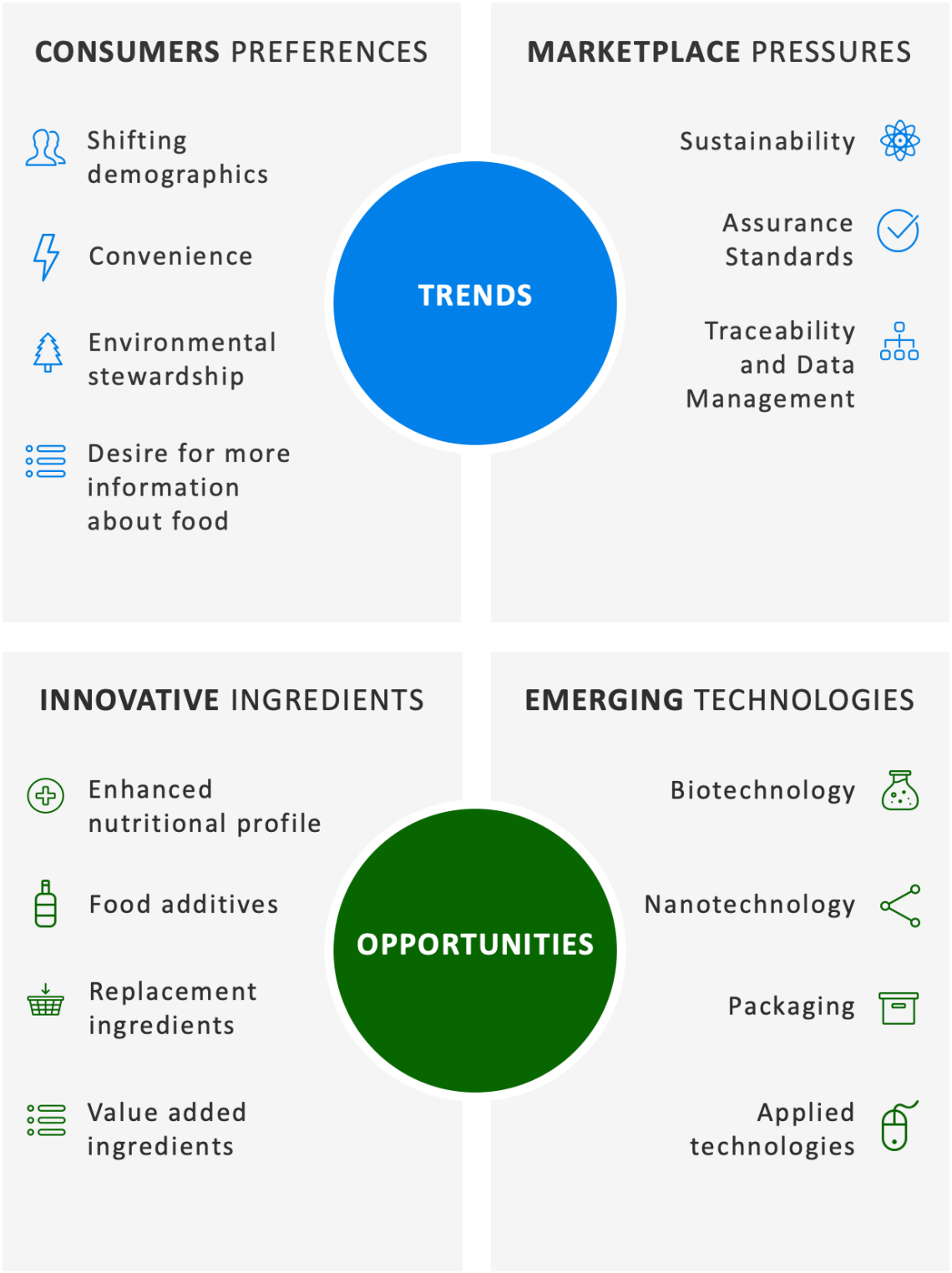
Nutraceuticals are foods containing health-giving additives that provide medicinal benefits and enhance the basic nutritive value of food. They provide essential nutrients in the form of dietary supplements, functional foods and beverages.

In 2017, the global nutraceuticals market was valued at $266.86 billion. Increasing risk of diseases such as high blood pressure, obesity, diabetes and cholesterol and the increasing demand from developing economies is expected to boost product demand.[17]

> *The nutraceuticals product market revenue is expected to reach **$770.75 billion by 2025**, according to a report by Grand View Research.[18]*

[16] Organic Trade Association, 2017: https://www.ota.com/canada-ota/what-cota-does/research-market-analysis
[17] Mordor Intelligence, 2018: https://www.mordorintelligence.com/industry-reports/global-nutraceuticals-market-industry
[18] Grand View Research, 2018: https://www.grandviewresearch.com/press-release/global-nutraceuticals-market

TRENDS AND OPPORTUNITIES FOR FOOD PROCESSING INDUSTRY



**via Government of Canada – Agriculture and Agri-Foods Industry*

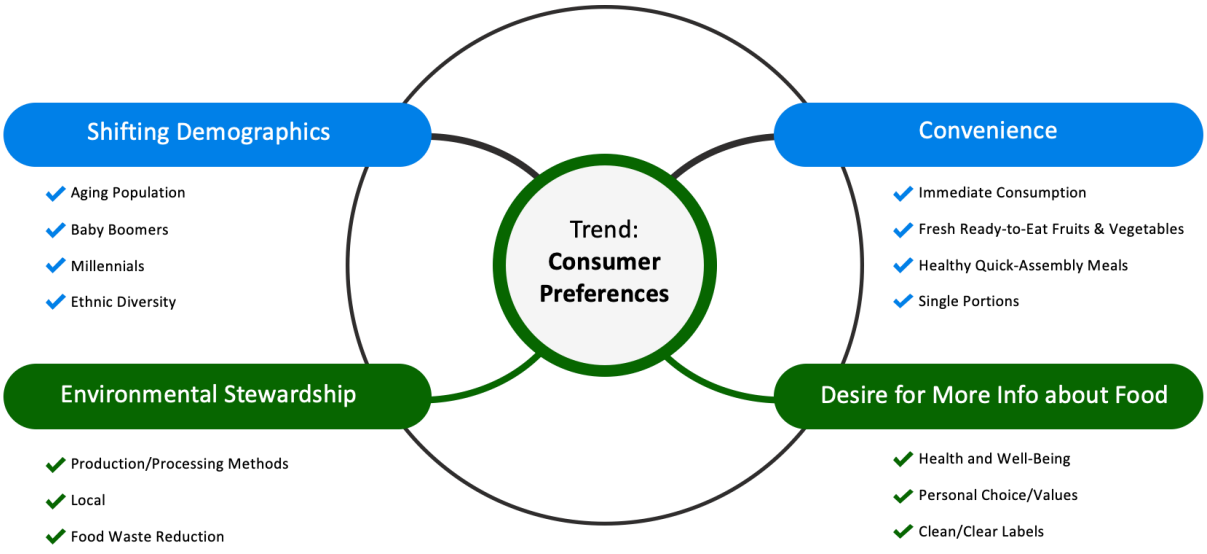
7.7.1. Consumer Preferences

According to data provided by the government of Canada, price and taste have been the primary deciding factors for the majority of consumers when selecting and purchasing food. However, there are some notable factors that are driving consumer preference and is driving new product development: shifting demographics, convenience, environmental stewardship, and desire for more information about food.

- Shifting demographics, aging baby boomers, the growing purchasing power of millennials, and increased ethnic diversity are contributing to changing food preferences. These factors are influencing trends toward food products with enhanced nutrition and ethical food choices.

- Consumers want foods that are quick or ready for immediate consumption, but also fresh and nutritious, such as bagged salads, and single portion prepared fruits and vegetables – as well as foods that can replace certain meals, such as breakfast bars – all of which are produced by Green Oasis.

- There is an increased desire for information about food, including the production practices used as well as the food's contents. In addition to nutritional composition, consumers want to know how foods will enhance their performance or improve their health. Consumers are looking for recognizable nutrition information that will help them make better choices for their personal health at point of purchase.



7.8. THE FUTURE OF AGRICULTURE

7.8.1. A Move to Greenhouse Technology

According to Statistics Canada, total sales of the greenhouse, nursery and sod industries reached $3.8 billion in 2017.[19] Greenhouse products accounted for 78% of all greenhouse, nursery and sod sales.

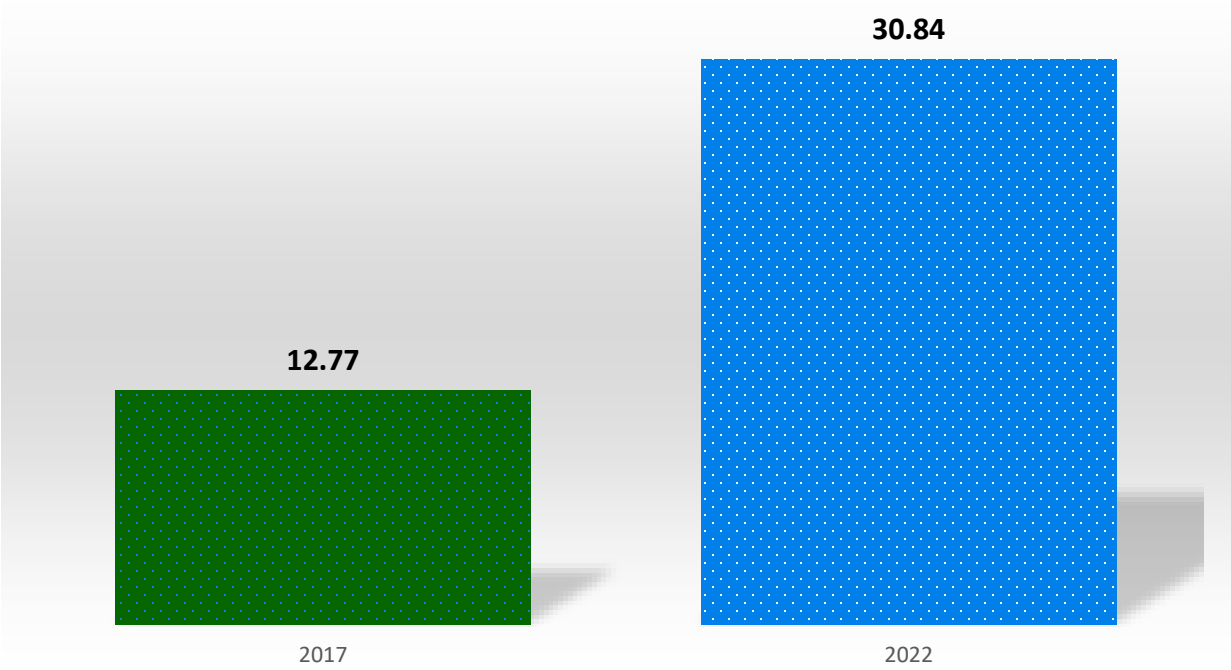
[19] Statistics Canada, 2018: https://www150.statcan.gc.ca/n1/daily-quotidien/180425/dq180425b-eng.htm

According to the Statistics Canada census data, Ontario has more greenhouses than any other province, followed by British Columbia and Quebec. Ontario, with 2,398 acres of greenhouse vegetable production, is the largest greenhouse production sector in all of North America – with over 70% of Ontario's greenhouse vegetable crops being exported to the United States. Vegetable greenhouses grow primarily peppers, cucumbers and tomatoes. There are more than 1,900 flower growers across Canada.[20] The floral sector employs over 20,000 and includes growers of cut flowers, potted plants, bedding plants and/or propagation material.

7.8.2. Smart Farming

Canada, led by the province of Alberta, is implementing climate-smart agriculture by reducing greenhouse gas emissions from fertilizer use in crop production. At least one million acres of farmland in Alberta are operating under 4R Nutrient Stewardship, focused on reducing greenhouse gas emissions by 15 to 25%.

FORECAST MARKET VALUE OF SMART AGRICULTURE WORLDWIDE IN 2017 AND 2022



The global market size of smart agriculture is expected to grow from approximately 9.58 billion U.S. dollars in 2017 to 23.14 billion U.S. dollars by 2022.[21]

[20] Flowers Canada, 2017: https://www.flowerscanadagrowers.com/about-us
[21] Statista, 2018: https://www.statista.com/statistics/720062/market-value-smart-agriculture-worldwide/

7.9. GLOBAL AQUACULTURE MARKET

According to Food and Agriculture Organization of the United Nations (FAO), global aquaculture production has been on the rise since 1995. In 2016, aquaculture production reached 110.2 million tonnes, 80 million tonnes ($308.6 billion) of aquatic animals and 30.1 million tonnes ($15.6 billion) of aquatic plants.[22]

The Canadian aquaculture industry serves both domestic and international markets. The extensive coastal zone in Canada, where a majority of the aquaculture operations take place, technology and financing play a major role in growing the aquaculture market in Canada.

Aquaculture in North America is dominated by finfish, primarily Atlantic salmon in Canada, channel catfish in United States of America, and trout in Canada and U.S. Canada is also know for the production of molluscan shellfish, mainly species of oysters, mussels and clams.

Aquaculture operations represents about a third of Canada's total fisheries value and about 20% of the total seafood production. Moreover, aquaculture production has increased by 63% over the last ten years.[23]

[22] Food and Agriculture Organization of the United Nations, 2018: http://www.fao.org/3/i9540en/I9540EN.pdf
[23] Government of Canada, 2017: http://www.dfo-mpo.gc.ca/aquaculture/sector-secteur/stats-eng.htm

7.10. GLOBAL BOTANICAL EXTRACTS MARKET

Botanical extracts involve the removal of desired constituents from plant matter using suitable solvents or processes. The products obtained via extraction include liquid extracts, powdered extracts, semisolid extracts, and tinctures. Botanical extracts are rich in numerous vitamins, pro-vitamins, antioxidants, minerals, and other nutrition. The presence of antioxidants and anti-aging properties in various botanical extracts makes it ideal for the cosmetics industry. Growing awareness in consumers regarding the benefits of botanical extracts has led to a shift towards natural products. Consumers are increasingly seeking safe and gentle ingredients for skin and hair care formulations.

There are changes in the dietary preferences of consumers, due to a rise in lifestyle.[24] There is an increase in the demand for minimally processed ready-to-eat natural and organic food products, which is expected to drive the demand for botanical extracts in the food & beverages industry. Increased R&D of plant drugs has opened new avenues for botanical extracts manufacturers in the pharmaceutical industry, which is expected to further fuel the market growth.

BOTANICAL EXTRACTS MARKET DRIVERS:

- Rise in awareness regarding the side effects of synthetic flavors
- Growth of the clean label trend across food & beverage markets
- Increase in applications of botanical extracts

[24] Nutrition Business Journal, 2017: https://www.newhope.com/products/2017-global-supplement-business-report

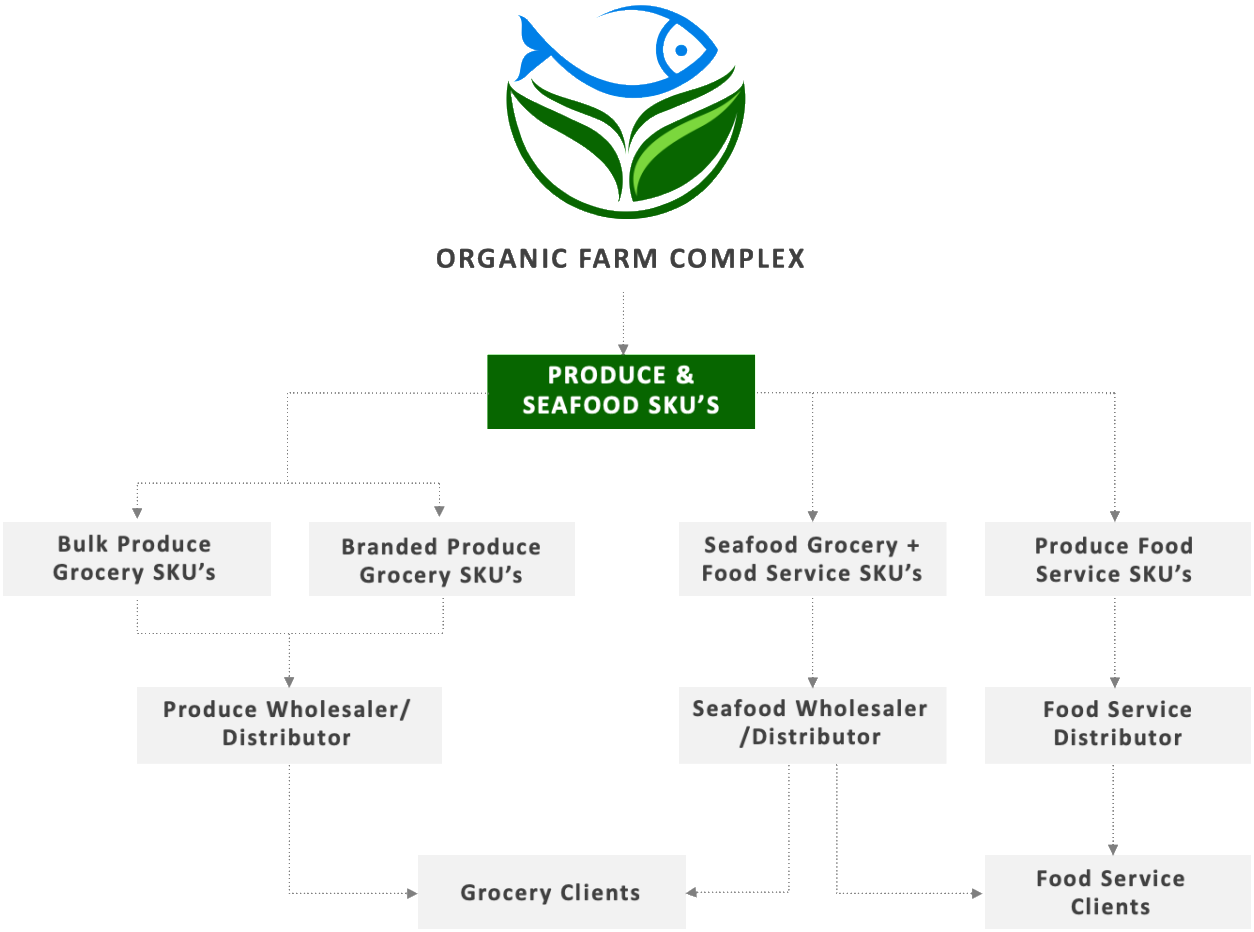
Marketing Strategy

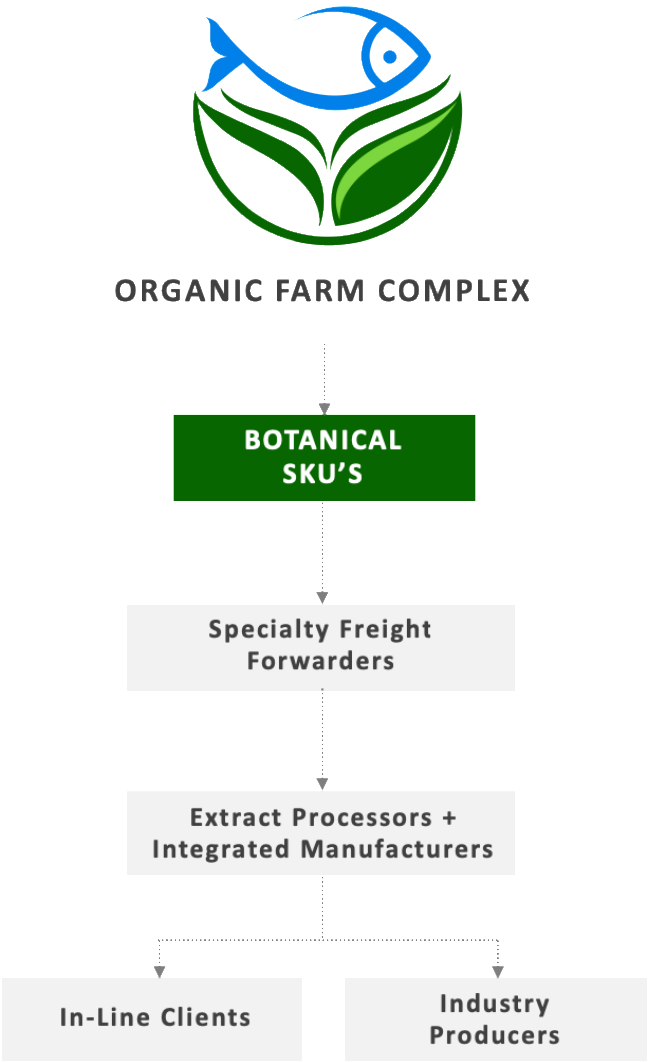
8. Marketing Strategy

8.1. STRATEGY IMPLEMENTATION

Green Oasis plans to intersect the market at the distributor entry level, feeding into the empty shelf space created by supply deficiencies. Brand awareness will be strongly supported with social media and experiential marketing campaigns.

8.1.1. Sales and Distribution





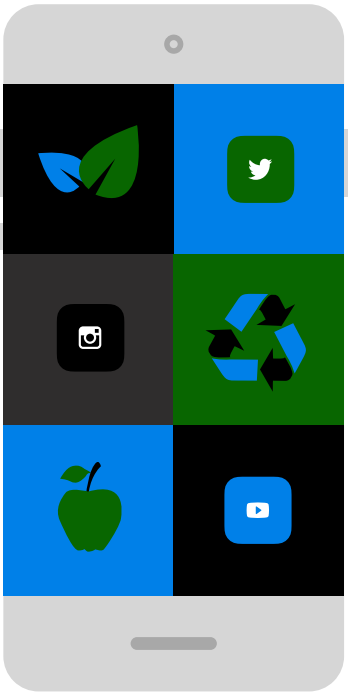
8.2. DISTRIBUTOR AND WHOLESALER MARKET

Green Oasis provides products and services designed to specifically appeal to high volume distributors. With 365 day a year high volume production, relative price competitiveness, superior quality and services such as pre-order production, by design processing and packaging, and dependable and dedicated delivery, Green Oasis will stand alone as the first choice of the high-volume distributor.

Green Oasis takes advantage of the fractured nature of the aquaponic and aquaculture industries by combining advanced food production science and technology with economy of scale producing much superior products at significantly reduced cost. Providing Green Oasis' wholesale clientele with reliable, dependable and predictable delivery of products that are superior in quality and competitively priced will ensure the products' presence in the marketplace.

8.3. BRAND AWARENESS

The Company will be focusing on two primary brand awareness platforms:



SOCIAL MEDIA MARKETING STRATEGY

Facebook Ads, Instagram, Twitter, Snapchat, LinkedIn, Pinterest, Reddit, etc.

EXPERIENTIAL MARKETING STRATEGY

Engage investors and consumers directly through real-world events backed up by robust digital and traditional media campaigns.

Each of the marketing platforms will continually explore the latest in trending techniques with the basic following principles in mind to measure effectiveness:

8.3.1. Brand Perception

More than simply being aware of the Green Oasis name, consumers need to know what the brand represents. Twitter as a social platform is becoming the food entrepreneur's best friend to ask the consumer what is on their mind. The platform's video, polling and analytics features enable the Company to gauge its consumers regarding their preferences and opinions about the brand.

8.3.2. Consumer Preference

Brand awareness is simply not enough. Green Oasis will hold events to set up blind taste tests at various neutral locations, allowing consumers to sample GOF products and those of direct competitors'. This enables the Company to learn of their consumers' preferences and their reasonings.

8.3.3. Products' Perceived Value

Value perceptions come in all shapes and sizes. Value is a function of quality, price, and quantity. Green Oasis will advertise that the products have superior growing processes, that the Company is reducing the global carbon footprint and that it is far superior in nutrient content compared to that of competitors'.

Important questions to continuously include will include:

- Do consumers recognize Green Oasis products?
- Has the Company maximized the best distribution channels?
- What is the Green Oasis strategy to grow market share?
- Does Green Oasis have brand awareness and brand preference with the trade?
- What has Green Oasis committed to long-term Brand building?

8.4. PRODUCT POSITIONING STATEMENTS

Developing a product positioning statement is vital to enable Green Oasis to capitalize on enhancing consumers' brand experience. The Company intends to assure the public knows that the GOF process is "greener," and that it truly is "Reinventing Agriculture."

Example:

> *For the consumers that value what they feed their bodies, and what we feed the earth – Green Oasis Foods provide a* ***healthy and responsible solution.***

8.5. BRAND DEVELOPMENT TARGETS

Green Oasis has the following principle strategic aims:

- Continue Research and Development of the primary service;
- Develop promotional materials for all product including print materials, digital assets for website and social media profiles, and the mobile application;
- Develop in-house Marketing and Sales expertise;
- Develop comprehensive social media marketing campaigns;
- Administer the ongoing sales and marketing efforts;
- Maintain quality performance;
- Continued development of new markets.

Green Oasis will undertake the following assignments in order to fulfill its operational targets:

- Develop major qualitative and quantitative consumer research and investigating purchasing models;
- Create cross-promotions timed for the release of feature applications;
- Establish a global communication process that provides timely information and facilitates coordination across geographic regions and business units.

8.6. WEB STRATEGY AND DEVELOPMENT PLAN

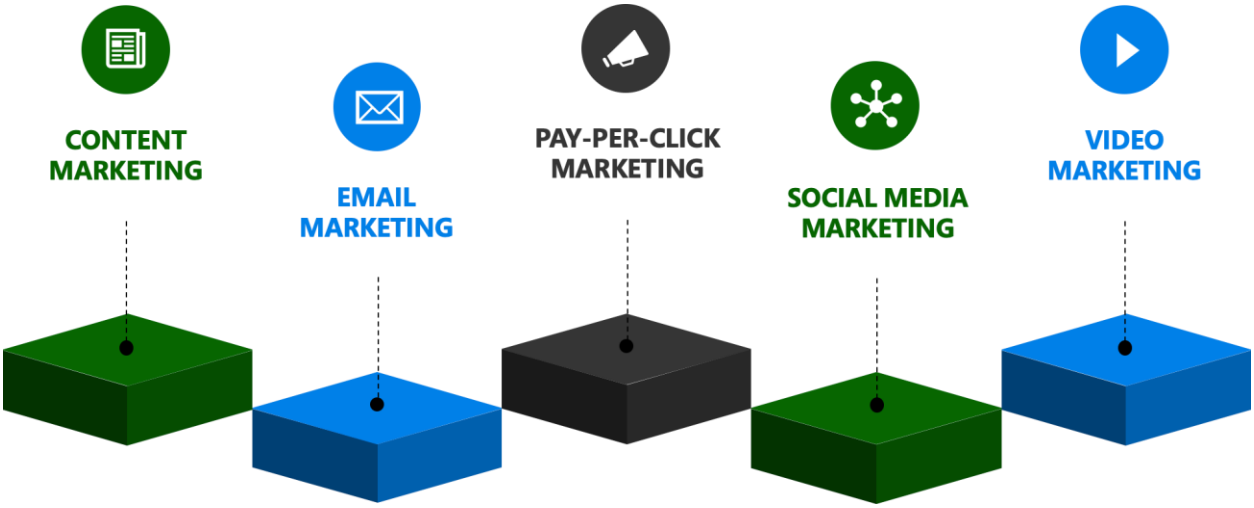
Green Oasis will design its corporate website, which hosts information about the company and its services. The marketing strategy for the website will be based on inclusion of the internet address in all business material and products that the Company releases and as a submission to other websites.

The Web Development Plan will incorporate the following strategic targets:

- Responsive web design;
- Attractive, appealing and user-friendly design;
- Utilization of UX/UI best practices;
- Implementation Search Engine Optimization (SEO) strategies;
- A full set of 'Calls to Action' (CTA's) to elicit consumer response and engage the target audience, as well as capture consumer data for future marketing strategies.

8.7. ONLINE MARKETING STRATEGIES

Green Oasis will utilize the following digital marketing avenues and develop comprehensive strategies of engagement via:



8.8. INDUSTRY ASSOCATIONS

8.8.1. Ensuring Healthy Oceans

Green Oasis is currently applying to become a partner of the Ocean Wise Seafood Program, to show customers the Company's commitment to protecting the oceans from overfishing. Ocean Wise is a not-for-profit organization whose vision is a world in which oceans are healthy and flourishing.

Ocean Wise | ocean.org

The global conservation organization Ocean Wise aims to tackle issues surrounding the current state of the oceans, including pollution, climate change, and overfishing. The organizations seeks to challenge these issues through its engagement, research, education, and visitor connections.

"Overfishing is one of the greatest threats our oceans are facing today. The Ocean Wise sustainable seafood program helps to ensure that ocean life will be abundant for generations to come. The Ocean Wise symbol on seafood items makes it easier for consumers to pick out sustainable seafood options at grocery stores and in restaurants." ***– ocean.org***

8.8.2. Universal Ibogaine

It is estimated that opioid addiction affects 26-36 million people worldwide and current treatment programs have a success rate of only 5-10%. Opioid overdose is now the leading cause of death in the United States. In Green Oasis' home province of British Columbia, Canada, this pain has been felt with dubious distinction: BC led Canada with a heartbreaking 1,470 opioid-related deaths in 2017, a shocking 72% of the total number of opioid related deaths in all of Canada that year. And the death toll continues to climb.

For that reason, Green Oasis is pleased to partner with an innovative company that is tackling the opioid crisis head-on: Universal Ibogaine Inc. Universal Ibogaine is developing a global addiction treatment and recovery method based on the successful results that come from treating addicts with Iboga root extract.

Green Oasis has committed to partially funding a number of 20 bed treatment centers adjacent to its planned 40 Commercial Aquaponics Farms in North America. Working with Universal Ibogaine, Green Oasis envisions providing employment by way of an innovative apprenticeship program at the farms, one that would help serve as the foundation people to reengage in society.

8.8.3. North American Associations

Aquaculture Association of Canada | aquacultureassociation.ca

The Aquaculture Association of Canada (AAC) is a registered charity with a mandate to transfer information between the various sectors of the aquaculture community. It does this by organizing workshops and conferences on topical issues, publishing the proceedings of these events, and supporting students through scholarships, travel bursaries, and best-paper awards.

2019 EVENTS:
Aquaculture Canada 2019 Conference and Tradeshow
May 5-8, 2019 | Victoria, British Columbia

Canadian Aquaculture | aquaculture.ca

Canadian Aquaculture Industry Alliance (CAIA) is the national association that speaks for Canada's seafood farmers, representing their interests in Ottawa to regulators, policy makers and political leaders. With a membership that reaches coast to coast to coast, comprised of finfish, shellfish and aquatic plant farmers, feed companies and suppliers, as well as regional aquaculture associations, CAIA is a passionate advocate for the quality and sustainability of farmed seafood.

The Association of Seafood Producers | seafoodproducers.org

association of seafood producers

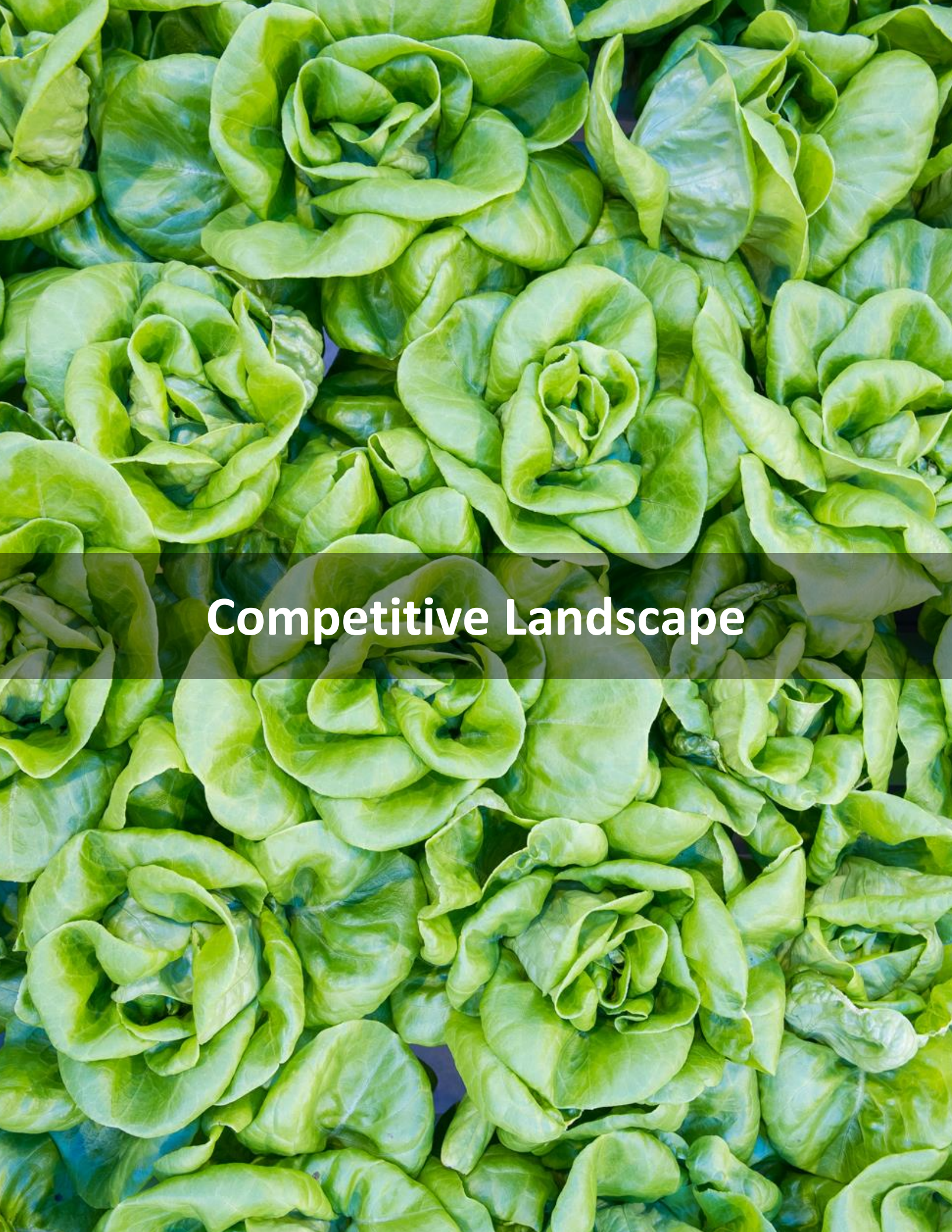
The Association of Seafood Producers is a not-for-profit corporation which represents the interests of seafood producers generally in the Province of Newfoundland & Labrador (NL), Canada. The organization's objectives are to provide effective input into policy decisions and regulatory matters at all levels of Government, participate in programs of direct benefit to the entire industry, and promote a positive image of the industry.

SupplyWide West | west.supplysideshow.com

SupplySide WEST

SupplySide West brings together more than 15,000 ingredient buyers and suppliers from the dietary supplement, beverage, functional food, personal care and sports nutrition industries. SupplySide West is all about the science and strategy around the development of finished products that drive the global business economy.

2019 EVENTS:
Expo Hall
Oct. 17-18, 2019 | Las Vegas, NV



Competitive Landscape

9. Competitive Landscape

9.1. COMPETITIVE ANALYSIS

Neva Hydroponic Farms | Landmark, MB
Neva Hydroponic Farms is a family-owned aquaculture farm located 35 km outside of Winnipeg, Manitoba. Neva's product line includes: microgreens (arugula, cilantro, chives, and more), lettuce (baby bibb, greenleaf, bibb butterhead, and more) and basil. The company has a On Farm Food Safety (OFFS) certification, which is a tri-level (federal, provincial and Canadian Horticulture Council) 3rd party food safety initiative.

Northern Bioponics Ltd. | Prince George, BC
Operating since 2010, Northern Bioponics Ltd. Is a grower of vegetables and freshwater fish. The company is also family-owned and operating in Prince George, British Columbia. The farm's product line includes: lettuce, mustard greens, herbs and freshwater fish (tilapia.)

UFO Farms | Yukon, OK
UFO Farms is a family-owned operation that utilizes aquaponic technologies to grow microgreens, herbs and vegetables in Yukon, Oklahoma. The company boasts to have clientele in 100 countries, with a staff of 300 gardeners.

WaterSong Farms | Interlake, MB
WaterSong is an operation in Manitoba that hosts a simulated indoor river teeming with steelhead trout. The facility is built to raise a total of 140 metric tonnes of fish annually in fresh water, recycled (98-99%) and nutrient rich, enough to feed 10 acres of greenhouses. The company also produces fresh Whole Roasting Chicken on the farm in the spring and fall.

Marine Harvest Canada | Campbell River, BC
Marine Harvest globally produces one-fifth of the world's farm-raised salmon at facilities in Norway, Scotland, Canada, Chile, Ireland and the Faroe Islands. Globally, the company employs over 12 000 people. Marine Harvest is listed on the Oslo Stock Exchange (OSE) and its shares also trade on the US OTC market. In Canada, Marine Harvest operates salmon farms in British Columbia and Vancouver Island, where 530 people produce 45,000 tonnes of sustainable farm-raised Atlantic salmon each year.

Nutraponics | Strathcona, AB
Nutraponics is an Alberta-based aquaponics farm as a small (2,200 square feet) operation in Strathcona Alberta (near Edmonton.) The company has 50 shareholders and plans to offer licensing of its technology throughout the world. Benefit claims are similar to Green Oasis and the company uses vertical growing beds.

9.2. SWOT ANALYSIS

Strengths:

- State of the art engineering enabled with AI, machine learning and advanced methodology years ahead of the competition;
- Alignment with mandates of seven national government departments striving toward Canadian Food Sovereignty and Food Security and sustainable agriculture;
- Market expanding faster than manufacturers can fulfill, with double digit expansion year over year;
- Unique PNP program option and local farmers which create a zero-debt with no equity dilution financing;
- Production predictability of more nutritious, better tasting, better smelling, better looking products that are free from chemicals or contaminants

Weaknesses:

- Financial stability and cost during company start-up could result in failure to deliver on time;
- Lack of track record for management team and production system;
- Small number of staff, resulting in a lack of depth of experience in critical areas could result in overworking staff;
- Company may be perceived as a threat to other associated businesses such as chemical industry and established food producers;
- Fraudulent and confusing product labelling have created serious doubt in minds of consumers, rendering a significant portion of the market in a last to adopt the new system.

Opportunities:

- Having the best product on the market, and availability 365 days a year allows Green Oasis to fulfill multiple entry points to access numerous markets;
- Command the best premium price point from willing consumers;
- Rapid expansion into growing local, national and international markets;
- Change in government policy towards the Company's system coincides with the aggressive change in consumer demand resulting in very favorable market conditions;
- Green Oasis' support of aggressive research and development assures that the Company will maintain a lead over the eventual competition.

Threats:

- Lack of proven management and CEVAS technology;
- Shortage of cash during start up may result in difficulty in meeting timelines;
- Backlash from existing market suppliers could result in actions meant to stop or slow the Company down;
- Lack of widespread distribution may result in resentment in North America;
- Vulnerable to staff sickness or leaving given little depth in small numbers.

9.3. COMPETITIVE ADVANTAGE

Green Oasis has three distinct advantages over the competition; price, quality and convenience.

TECHNOLOGY

The Company utilizes a proprietary hybrid aquaponic system (CEVAS™) – the largest and most efficient of its kind to be designed and built.

QUALITY

The GOF system is designed to produce a consistent product that is significantly superior in taste, smell, texture, size and appearance, and is delivered to the shelf untainted by any form of chemical, pollutant, hormones or pesticides.

EXPERTISE

Green Oasis has assembled a team of world class botanists, scientists, engineers, biologists, oceanographers, managers, marketers and technologists to innovate agriculture with aquaponics.

Financial Projections

10. Financial Projections for a Pilot Plant

10.1. ASSUMPTIONS

Revenue Assumptions

	Year 1	Year 2	Year 3	Year 4	Year 5
Revenues/ Greens (4 Bays)	$ 4,282,251	$ 4,496,364	$ 4,766,145	$ 5,099,776	$ 5,507,758
Revenues/ Services (4 Bays	$ 2,032,800	$ 2,134,440	$ 2,262,506	$ 2,420,882	$ 2,614,552
Revenues/Dividends (4 Bay	$ 430,798	$ 452,338	$ 479,478	$ 513,042	$ 554,085
Revenues/Fish	$ 873,383	$ 917,052	$ 972,076	$ 1,040,121	$ 1,123,330
Revenues/Vermicompost	$ 867,225	$ 910,586	$ 965,221	$ 1,032,787	$ 1,115,410
Royalties	$ (339,458)	$ (356,431)	$ (377,817)	$ (404,264)	$ (436,605)
Total Sales	**$ 8,146,999**	**$ 8,554,349**	**$ 9,067,610**	**$ 9,702,343**	**$ 10,478,530**
Cost of Goods Sold					
Cost Greens	$ 4,282,251	$ 4,496,364	$ 4,676,218	$ 4,769,742	$ 4,817,440
Fingerlings	$ 8,409	$ 8,829	$ 9,183	$ 9,366	$ 9,460
Fish Feed	$ 187,200	$ 196,560	$ 204,422	$ 208,511	$ 210,596
Additives and Treatments	$ 5,200	$ 5,460	$ 5,678	$ 5,792	$ 5,850
Total Cost of Goods Sold	**$ 4,483,060**	**$ 4,707,213**	**$ 4,895,501**	**$ 4,993,412**	**$ 5,043,346**
Gross Margin	**$ 3,663,939**	**$ 3,847,136**	**$ 4,172,109**	**$ 4,708,931**	**$ 5,435,185**

Ongoing Business Expenses

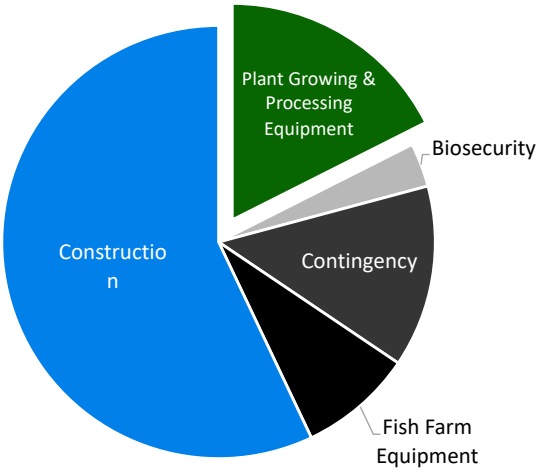
Expenses	Year 1	Year 2	Year 3	Year 4	Year 5
Packaging and Supplies (for	$ 24,624	$ 25,855	$ 26,889	$ 27,427	$ 27,701
Packaging and Supplies (for	$ 36,000	$ 37,800	$ 39,312	$ 40,098	$ 40,499
Packaging and Supplies (for	$ 24,000	$ 25,200	$ 26,208	$ 26,732	$ 26,999
Farm Chaff (carbon source f	$ 9,600	$ 10,080	$ 10,483	$ 10,693	$ 10,800
Hydro	$ 172,000	$ 178,880	$ 186,035	$ 193,477	$ 201,216
Repair & Maintenance	$ 24,000	$ 25,200	$ 26,208	$ 26,732	$ 26,999
Advertising & Marketing	$ 36,000	$ 37,800	$ 39,312	$ 40,098	$ 40,499
Equipment Leasing	$ 12,000	$ 12,600	$ 13,104	$ 13,366	$ 13,500
Vehicle Leasing	$ 24,000	$ 25,200	$ 26,208	$ 26,732	$ 26,999
Telecommunications Costs	$ 6,000	$ 6,300	$ 6,552	$ 6,683	$ 6,750
Management Wages	$ 120,000	$ 126,000	$ 131,040	$ 133,661	$ 134,997
Bank Charges	$ 1,200	$ 1,260	$ 1,310	$ 1,337	$ 1,350
Office Expense	$ 2,400	$ 2,520	$ 2,621	$ 2,673	$ 2,700
Professional Fees - Audit	$ 1,800	$ 1,890	$ 1,966	$ 2,005	$ 2,025
Professional Fees - Legal	$ 1,200	$ 1,260	$ 1,310	$ 1,337	$ 1,350
Insurance	$ 9,600	$ 10,080	$ 10,483	$ 10,693	$ 10,800
Property taxes	$ 12,000	$ 12,600	$ 13,104	$ 13,366	$ 13,500
Licenses & Permits	$ 1,800	$ 1,890	$ 1,966	$ 2,005	$ 2,025
Contingencies	$ 18,000	$ 18,900	$ 19,656	$ 20,049	$ 20,250
R&D Cost	$ 60,000	$ 63,000	$ 65,520	$ 66,830	$ 67,499
Mortgage	$ 860,087	$ 860,087	$ 860,087	$ 860,087	$ 860,087
Total Operating Costs	**$ 1,456,311**	**$ 1,484,402**	**$ 1,509,375**	**$ 1,526,081**	**$ 1,538,545**

10.2. CAPITAL REQUIREMENTS

For the purposes of this business plan, the Company is seeking to raise $15,500,000 for each of the Pilot Farms to be constructed in Victoria, Chilliwack, and Kelowna, British Columbia.

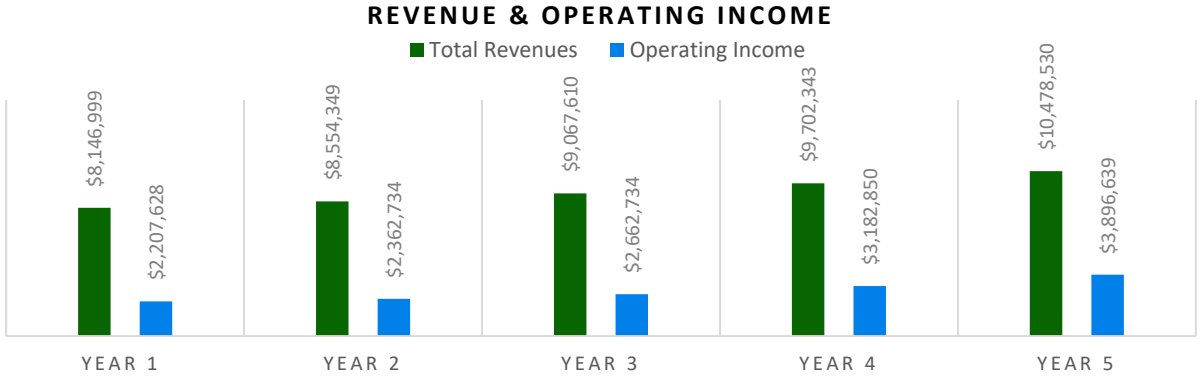
10.3. USE OF PROCEEDS

Capital Requirement		
		Year 1
Building & Equipment		
General Conditions	$	984,730
Site works	$	583,738
Concrete	$	1,206,704
Misc Metal & Struct StL	$	61,450
Doors and Windows	$	17,392
Finishes	$	43,269
Specialties	$	31,000
Equipment	$	858,920
Special Construction	$	2,274,839
Conveying systems	$	1,087,134
Mechanical	$	1,292,400
Electrical	$	308,848
Fish Farm Equipment	$	1,319,992
Plant growing & processing equip	$	2,722,328
Subtotal	**$**	**12,792,743**
Office & Admin		
Startup / commissioning	$	90,687
Biosecurity	$	506,549
Contingency	$	2,110,021
Subtotal	**$**	**2,707,257**
Total	**$**	**15,500,000**



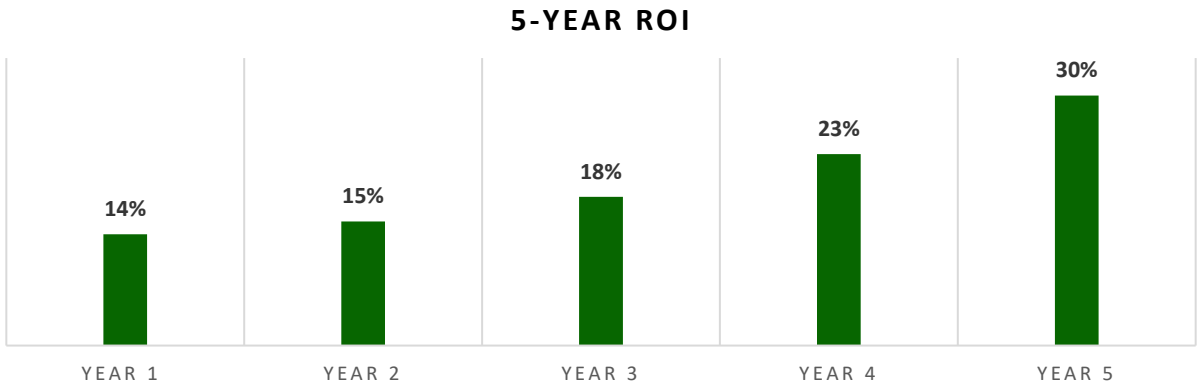
10.4. REVENUE PROJECTIONS

Revenue Summary										
		Year 1		Year 2		Year 3		Year 4		Year 5
Total Revenues	**$**	**8,146,999**	**$**	**8,554,349**	**$**	**9,067,610**	**$**	**9,702,343**	**$**	**10,478,530**
Total COGS	$	4,483,060	$	4,707,213	$	4,895,501	$	4,993,412	$	5,043,346
Operating Expenses	$	1,456,311	$	1,484,402	$	1,509,375	$	1,526,081	$	1,538,545
Operating Income	**$**	**2,207,628**	**$**	**2,362,734**	**$**	**2,662,734**	**$**	**3,182,850**	**$**	**3,896,639**

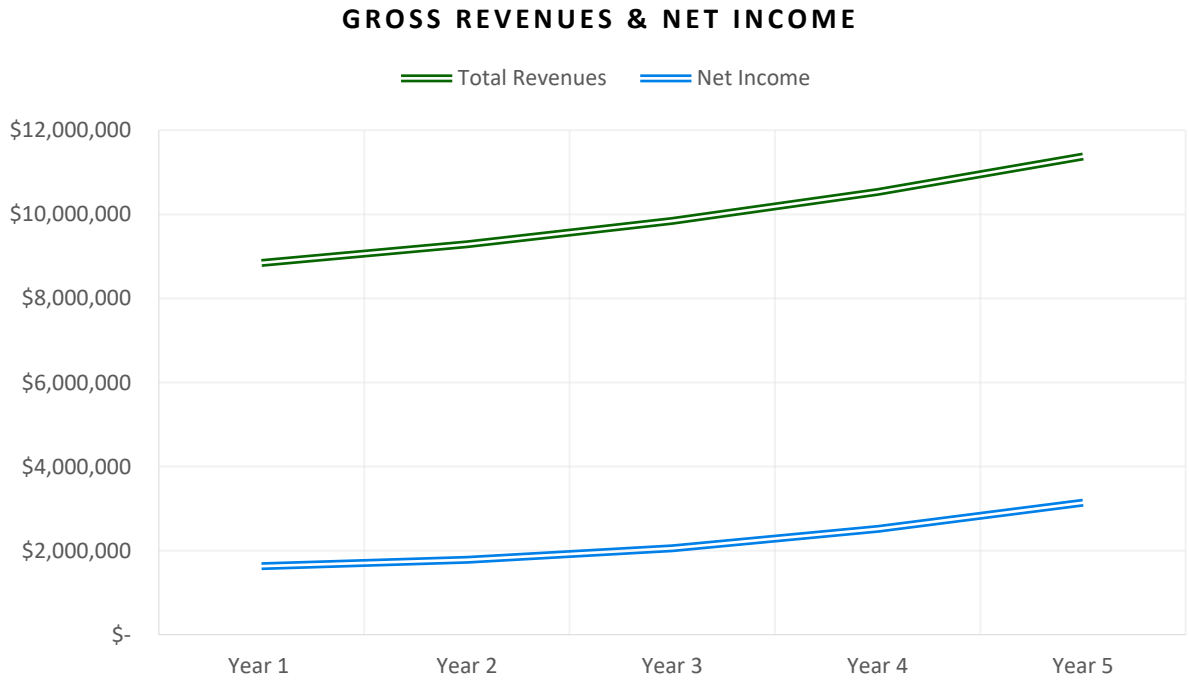


10.5. PROFITABILITY AND ROI

Profitability and ROI					
	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	$ 8,146,999	$ 8,554,349	$ 9,067,610	$ 9,702,343	$ 10,478,530
Gross Margin	$ 3,663,939	$ 3,847,136	$ 4,172,109	$ 4,708,931	$ 5,435,185
Gross Margin (%)	**45%**	**45%**	**46%**	**49%**	**52%**
Net Income	**$ 1,083,823**	**$ 1,207,908**	**$ 1,447,907**	**$ 1,864,000**	**$ 2,435,032**
Net Profit Margin (%)	**13%**	**14%**	**16%**	**19%**	**23%**
Initial Investment	**$ 8,000,000**				
5-Year ROI	**14%**	**15%**	**18%**	**23%**	**30%**



10.6. NET INCOME & INCOME STATEMENT



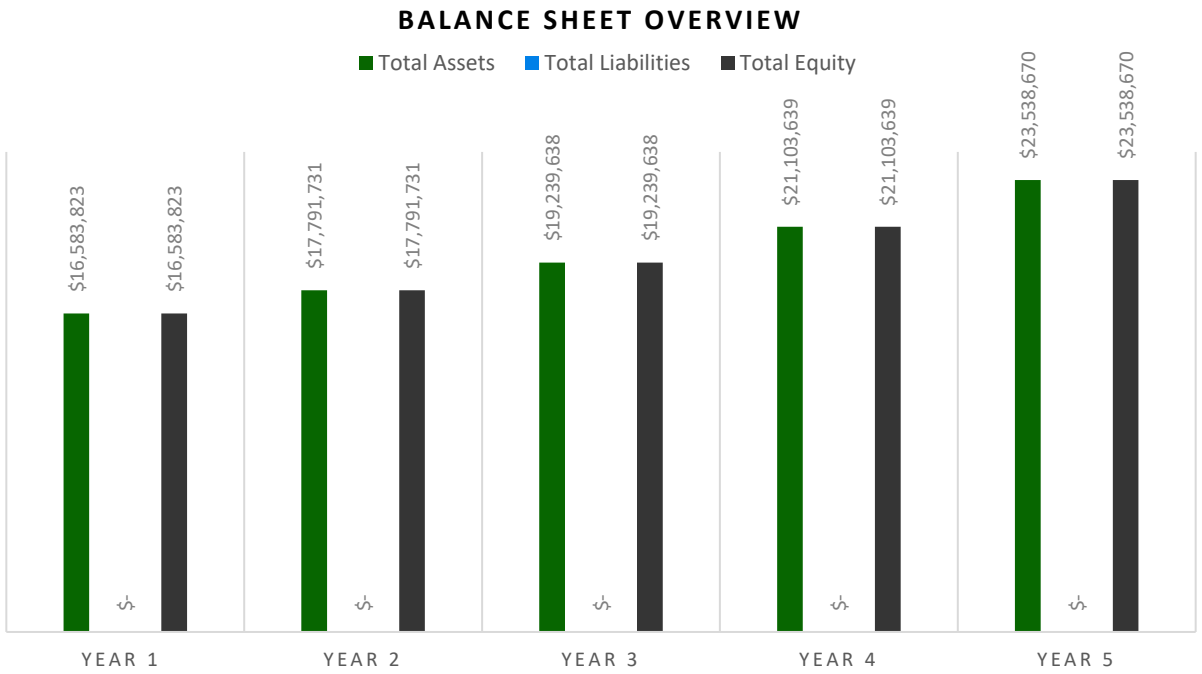
Income Statement

	Year 1	Year 2	Year 3	Year 4	Year 5
Revenues					
Revenues/ Greens (4 Bays)	$ 4,282,251	$ 4,496,364	$ 4,766,145	$ 5,099,776	$ 5,507,758
Revenues/ Services (4 Bays)	$ 2,032,800	$ 2,134,440	$ 2,262,506	$ 2,420,882	$ 2,614,552
Revenues/Dividends (4 Bays)	$ 430,798	$ 452,338	$ 479,478	$ 513,042	$ 554,085
Revenues/Fish	$ 873,383	$ 917,052	$ 972,076	$ 1,040,121	$ 1,123,330
Revenues/Vermicompost	$ 867,225	$ 910,586	$ 965,221	$ 1,032,787	$ 1,115,410
Royalties	$ (339,458)	$ (356,431)	$ (377,817)	$ (404,264)	$ (436,605)
Total Revenues	**$ 8,146,999**	**$ 8,554,349**	**$ 9,067,610**	**$ 9,702,343**	**$ 10,478,530**
Cost Greens	$ 4,282,251	$ 4,496,364	$ 4,676,218	$ 4,769,742	$ 4,817,440
Fingerlings	$ 8,409	$ 8,829	$ 9,183	$ 9,366	$ 9,460
Fish Feed	$ 187,200	$ 196,560	$ 204,422	$ 208,511	$ 210,596
Additives and Treatments	$ 5,200	$ 5,460	$ 5,678	$ 5,792	$ 5,850
Total Cost of Goods Sold	**$ 4,483,060**	**$ 4,707,213**	**$ 4,895,501**	**$ 4,993,412**	**$ 5,043,346**
Gross Profit	**$ 3,663,939**	**$ 3,847,136**	**$ 4,172,109**	**$ 4,708,931**	**$ 5,435,185**
Packaging and Supplies (for fish)	$ 24,624	$ 25,855	$ 26,889	$ 27,427	$ 27,701
Packaging and Supplies (for plants)	$ 36,000	$ 37,800	$ 39,312	$ 40,098	$ 40,499
Packaging and Supplies (for fertilize	$ 24,000	$ 25,200	$ 26,208	$ 26,732	$ 26,999
Farm Chaff (carbon source for comp	$ 9,600	$ 10,080	$ 10,483	$ 10,693	$ 10,800
Hydro	$ 172,000	$ 178,880	$ 186,035	$ 193,477	$ 201,216
Repair & Maintenance	$ 24,000	$ 25,200	$ 26,208	$ 26,732	$ 26,999
Advertising & Marketing	$ 36,000	$ 37,800	$ 39,312	$ 40,098	$ 40,499
Equipment Leasing	$ 12,000	$ 12,600	$ 13,104	$ 13,366	$ 13,500
Vehicle Leasing	$ 24,000	$ 25,200	$ 26,208	$ 26,732	$ 26,999
Telecommunications Costs	$ 6,000	$ 6,300	$ 6,552	$ 6,683	$ 6,750
Management Wages	$ 120,000	$ 126,000	$ 131,040	$ 133,661	$ 134,997
Bank Charges	$ 1,200	$ 1,260	$ 1,310	$ 1,337	$ 1,350
Office Expense	$ 2,400	$ 2,520	$ 2,621	$ 2,673	$ 2,700
Professional Fees - Audit	$ 1,800	$ 1,890	$ 1,966	$ 2,005	$ 2,025
Professional Fees - Legal	$ 1,200	$ 1,260	$ 1,310	$ 1,337	$ 1,350
Insurance	$ 9,600	$ 10,080	$ 10,483	$ 10,693	$ 10,800
Property taxes	$ 12,000	$ 12,600	$ 13,104	$ 13,366	$ 13,500
Licenses & Permits	$ 1,800	$ 1,890	$ 1,966	$ 2,005	$ 2,025
Contingencies	$ 18,000	$ 18,900	$ 19,656	$ 20,049	$ 20,250
R&D Cost	$ 60,000	$ 63,000	$ 65,520	$ 66,830	$ 67,499
Mortgage	$ 860,087	$ 860,087	$ 860,087	$ 860,087	$ 860,087
Operating Expenses	**$ 1,456,311**	**$ 1,484,402**	**$ 1,509,375**	**$ 1,526,081**	**$ 1,538,545**
Operating Income	**$ 2,207,628**	**$ 2,362,734**	**$ 2,662,734**	**$ 3,182,850**	**$ 3,896,639**
Depreciation	$ 852,850	$ 852,850	$ 852,850	$ 852,850	$ 852,850
Pre-tax Income	**$ 1,354,779**	**$ 1,509,885**	**$ 1,809,884**	**$ 2,330,001**	**$ 3,043,790**
Income Tax	$ 270,956	$ 301,977	$ 361,977	$ 466,000	$ 608,758
Net Income	**$ 1,083,823**	**$ 1,207,908**	**$ 1,447,907**	**$ 1,864,000**	**$ 2,435,032**

10.7. BALANCE SHEET

Balance Sheet

	Year 1	Year 2	Year 3	Year 4	Year 5
Cash	$ 1,936,673	$ 3,997,430	$ 6,298,187	$ 9,015,037	$ 12,302,918
Accounts Receivable	$ -	$ -	$ -	$ -	$ -
Inventory	$ -	$ -	$ -	$ -	$ -
Other Operating	$ 2,707,257	$ 2,707,257	$ 2,707,257	$ 2,707,257	$ 2,707,257
Total Current Assets	**$ 4,643,929**	**$ 6,704,687**	**$ 9,005,444**	**$ 11,722,294**	**$ 15,010,175**
Capital Expenditures	$ 12,792,743	$ 12,792,743	$ 12,792,743	$ 12,792,743	$ 12,792,743
Depreciation	$ 852,850	$ 1,705,699	$ 2,558,549	$ 3,411,398	$ 4,264,248
Total Fixed Assets	**$ 11,939,894**	**$ 11,087,044**	**$ 10,234,195**	**$ 9,381,345**	**$ 8,528,495**
Other Assets	$ -	$ -	$ -	$ -	$ -
Amortization	$ -	$ -	$ -	$ -	$ -
Total Intangible Assets	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Total Assets	**$ 16,583,823**	**$ 17,791,731**	**$ 19,239,638**	**$ 21,103,639**	**$ 23,538,670**
Accounts Payable	$ -	$ -	$ -	$ -	$ -
Total Current Liabilities	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Long-Term Liabilities	$ -	$ -	$ -	$ -	$ -
Total Long-Term Liabilities	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Total Liabilities	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Shareholders' Equity					
APIC	$ -	$ -	$ -	$ -	$ -
Capital Stock	$ 15,500,000	$ 15,500,000	$ 15,500,000	$ 15,500,000	$ 15,500,000
Other Financing	$ -	$ -	$ -	$ -	$ -
Retained Earnings	**$ 1,083,823**	**$ 2,291,731**	**$ 3,739,638**	**$ 5,603,639**	**$ 8,038,670**
Total Equity	**$ 16,583,823**	**$ 17,791,731**	**$ 19,239,638**	**$ 21,103,639**	**$ 23,538,670**
Total Liability & Equity	**$ 16,583,823**	**$ 17,791,731**	**$ 19,239,638**	**$ 21,103,639**	**$ 23,538,670**



10.8. CASH FLOWS

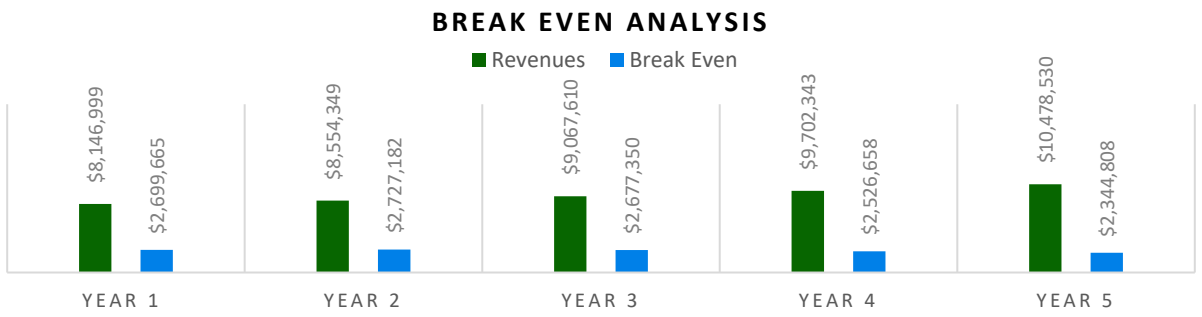
Cash Flow Statement

	Year 1	Year 2	Year 3	Year 4	Year 5
Operating Activities					
Net Income	$ 1,083,823	$ 1,207,908	$ 1,447,907	$ 1,864,000	$ 2,435,032
Depreciation	$ 852,850	$ 852,850	$ 852,850	$ 852,850	$ 852,850
Amortization	$ -	$ -	$ -	$ -	$ -
Subtotal	**$ 1,936,673**	**$ 2,060,757**	**$ 2,300,757**	**$ 2,716,850**	**$ 3,287,881**
Accounts Receivables	$ -	$ -	$ -	$ -	$ -
Accounts Payables	$ -	$ -	$ -	$ -	$ -
Increase in Inventory	$ -	$ -	$ -	$ -	$ -
Other Operating	$ (2,707,257)	$ -	$ -	$ -	$ -
Subtotal	**$ (2,707,257)**	**$ -**	**$ -**	**$ -**	**$ -**
Operating Cash flow	**$ (770,584)**	**$ 2,060,757**	**$ 2,300,757**	**$ 2,716,850**	**$ 3,287,881**
Capital Expenditures	$ (12,792,743)	$ -	$ -	$ -	$ -
Other Assets Spending	$ -	$ -	$ -	$ -	$ -
Cash after Investing	**$ (12,792,743)**	**$ -**	**$ -**	**$ -**	**$ -**
Other Long-Term Debt	$ -	$ -	$ -	$ -	$ -
Dividends Paid	$ -	$ -	$ -	$ -	$ -
Increases in APIC	$ -	$ -	$ -	$ -	$ -
Capital Stock	$ 15,500,000	$ -	$ -	$ -	$ -
Other Financing	$ -	$ -	$ -	$ -	$ -
Cash after Financing	**$ 15,500,000**	**$ -**	**$ -**	**$ -**	**$ -**
Beginning Cash	$ -	$ 1,936,673	$ 3,997,430	$ 6,298,187	$ 9,015,037
Cash Flow	$ 1,936,673	$ 2,060,757	$ 2,300,757	$ 2,716,850	$ 3,287,881
Year End Cash	**$ 1,936,673**	**$ 3,997,430**	**$ 6,298,187**	**$ 9,015,037**	**$ 12,302,918**

10.9. BENCHMARKS AND BREAK-EVEN ANALYSIS

Benchmarks & Break Even Analysis

	Year 1	Year 2	Year 3	Year 4	Year 5	Average
Revenues	**$ 8,146,999**	**$ 8,554,349**	**$ 9,067,610**	**$ 9,702,343**	**$ 10,478,530**	**$ 9,189,966**
COGS	$ 4,483,060	$ 4,707,213	$ 4,895,501	$ 4,993,412	$ 5,043,346	**$ 4,824,506**
Fixed Costs	$ 1,094,087	$ 1,105,787	$ 1,115,615	$ 1,120,725	$ 1,123,332	**$ 1,111,909**
Variable Costs	$ 362,224	$ 378,615	$ 393,760	$ 405,356	$ 415,214	**$ 391,034**
EBIT	$ 2,207,628	$ 2,362,734	$ 2,662,734	$ 3,182,850	$ 3,896,639	**$ 2,862,517**
BE %	**33%**	**32%**	**30%**	**26%**	**22%**	**28%**
Break Even	**$2,699,665**	**$2,727,182**	**$2,677,350**	**$2,526,658**	**$2,344,808**	**$2,571,040**



10.10. RATIOS ANALYSIS

Ratio Analysis

	Year 1	Year 2	Year 3	Year 4	Year 5
Liquidity Ratios					
Working Capital	$ 4,643,929	$ 6,704,687	$ 9,005,444	$ 11,722,294	$ 15,010,175
Current Ratio					
Profitability Ratios					
Net Profit Margin	13.30%	14.12%	15.97%	19.21%	23.24%
Return On Assets (ROA)	6.54%	6.79%	7.53%	8.83%	10.34%
Operating Income Margin	27.10%	27.62%	29.37%	32.80%	37.19%
Return On Equity	6.54%	6.79%	7.53%	8.83%	10.34%
Gross Profit Margin	44.97%	44.97%	46.01%	48.53%	51.87%
Financial Leverage Ratios					
Debts To Assets	0.00%	0.00%	0.00%	0.00%	0.00%
Capitalization	0.00%	0.00%	0.00%	0.00%	0.00%
Debt To Equity	0.00%	0.00%	0.00%	0.00%	0.00%
Debt To Working Capital	0.00%	0.00%	0.00%	0.00%	0.00%
Efficiency Ratios					
Cash Turnover	4.21	4.15	3.94	3.57	3.19
Sales To Assets	0.49	0.48	0.47	0.46	0.45
Fixed Asset Turnover	0.68	0.77	0.89	1.03	1.23

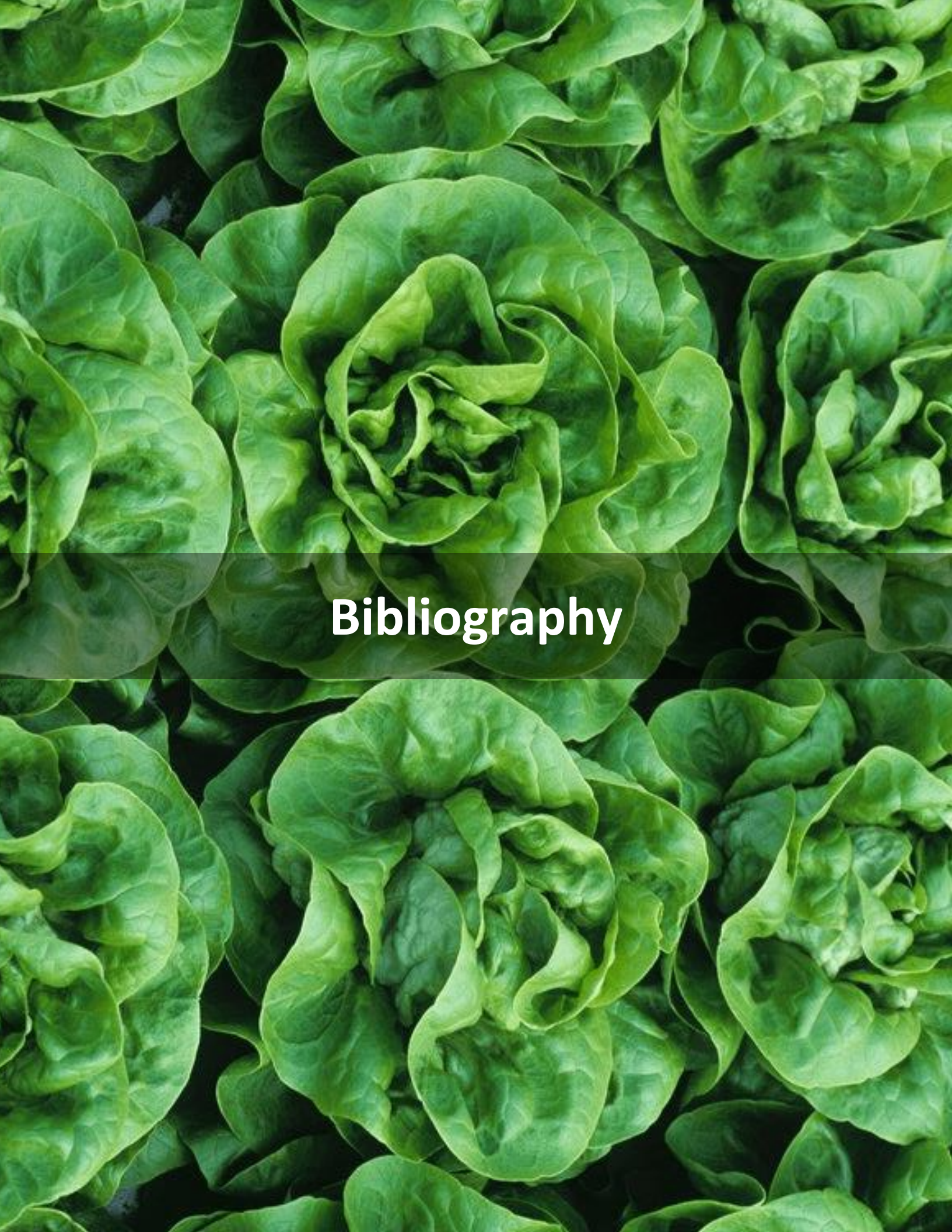
10.11. SENSITIVITY ANALYSIS

Sensitivity Analysis 1	
Revenue	110%
COGS	100%
Operating Expenses	100%
Revenue	$ 8,961,699
COGS	$ 4,483,060
Operating Expenses	$ 1,456,311
Operating Income	$ 3,022,328
Operating Profit %	33.72%

Sensitivity Analysis 2	
Revenue	100%
COGS	110%
Operating Expenses	110%
Revenue	$ 8,146,999
COGS	$ 4,931,366
Operating Expenses	$ 1,601,942
Operating Income	$ 1,613,691
Operating Profit %	19.81%

Sensitivity Analysis 3	
Revenue	100%
COGS	90%
Operating Expenses	90%
Revenue	$ 8,146,999
COGS	$ 4,034,754
Operating Expenses	$ 1,310,680
Operating Income	$ 2,801,565
Operating Profit %	34.39%

Sensitivity Analysis 4	
Revenue	110%
COGS	90%
Operating Expenses	90%
Revenue	$ 8,961,699
COGS	$ 4,034,754
Operating Expenses	$ 1,310,680
Operating Income	$ 3,616,265
Operating Profit %	40.35%

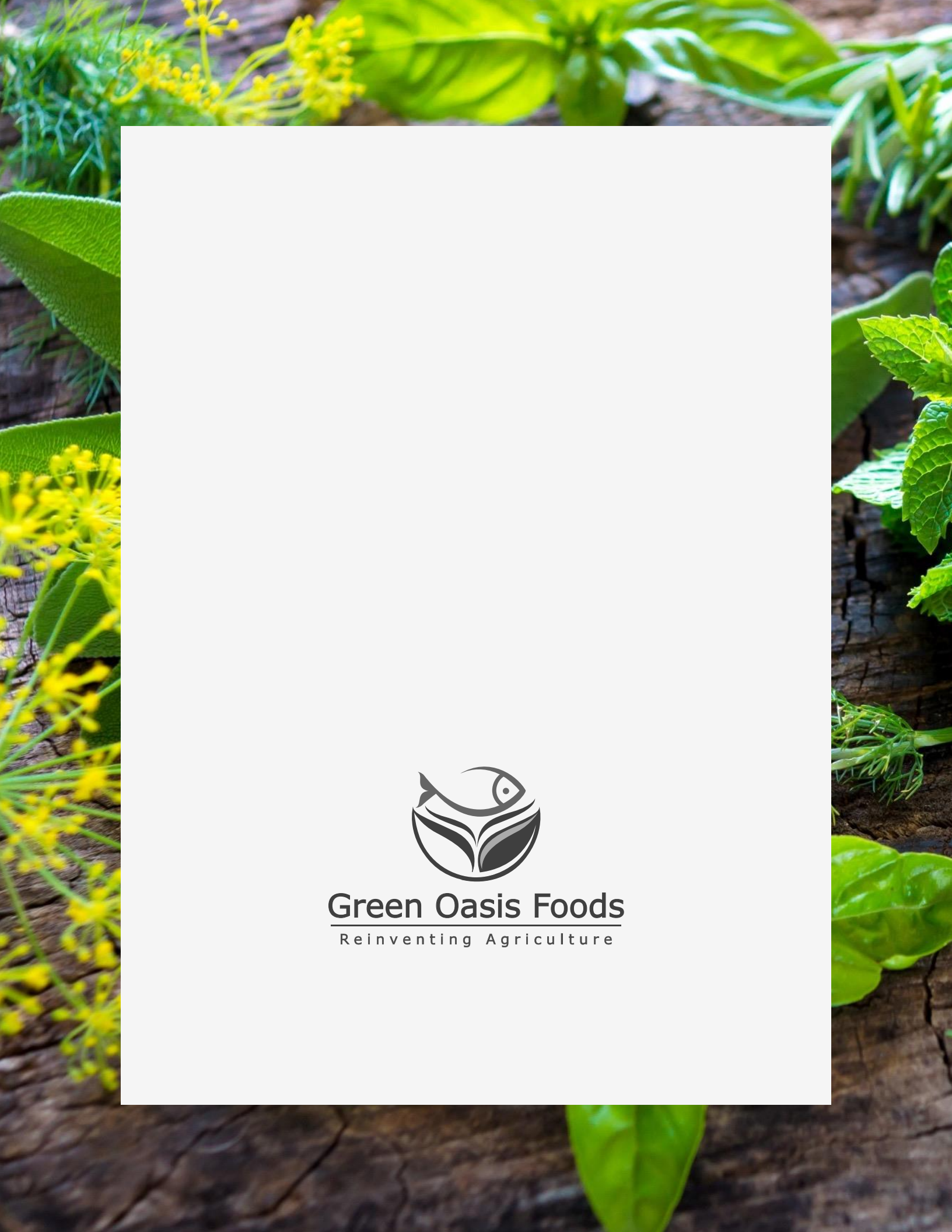


Bibliography

11. Bibliography

https://www.bloomberg.com/news/articles/2016-11-14/sustainable-investments-surged-by-third-to-8-7-trillion-in-2016
http://www.schroders.com/en/insights/economics/sustainable-investment-report-q3-2017/
http://www.schroders.com/en/sysglobalassets/digital/insights/2017/pdf/sustainable-investment-report/q3-2017-schroders-sustainable-investment-report-public-version.pdf
https://www.ussif.org/files/Publications/GSIA_Review2016.pdf
http://www.ey.com/Publication/vwLUAssets/ey-sustainable-investing-the-millennial-investor-gl/$FILE/ey-sustainable-investing-the-millennial-investor.pdf
https://climatepolicyinitiative.org/publication/global-landscape-of-climate-finance-2017/
https://riacanada.ca/wp-content/uploads/2016/10/Canadian-Impact-Investment-Trends-Report-FINAL-1.pdf
https://www.terrauniversal.com/cleanrooms/valuline-hardwall-cleanroom.php
https://www.plunkettresearch.com/complete-guide-food-industry-plunkett-research-2017/
https://www.wto.org/english/res_e/statis_e/wts2016_e/wts2016_e.pdf
https://www.wto.org/english/res_e/statis_e/wts2017_e/wts2017_e.pdf
https://www.government.nl/latest/news/2017/01/20/agri-food-exports-achieve-record-high-in-2016
https://www.fas.usda.gov/data/search?f[0]=field_countries:376
http://www.fao.org/3/a-I8080e.pdf
https://edc.trade/global-export-forecast/
https://www.gov.uk/government/publications/food-statistics-pocketbook-2017/food-statistics-in-your-pocket-2017-global-and-uk-supply
http://www.agr.gc.ca/eng/about-us/publications/we-grow-a-lot-more-than-you-may-think/?id=1251899760841
https://www.ibisworld.ca/industry-trends/market-research-reports/wholesale-trade/fruit-vegetable-wholesaling.html
https://www.ibisworld.ca/industry-trends/market-research-reports/retail-trade/supermarkets-grocery-stores.html
http://www.statcan.gc.ca/daily-quotidien/170201/dq170201c-eng.htm
https://capitalnews.ca/organic-food/project/mapping-canadas-organic-producers/
https://www.ota.com/canada-ota/what-cota-does/research-market-analysis
https://www.ota.com/news/press-releases/19681
https://www.freshfruitportal.com/news/2017/05/25/u-s-organic-food-sales-hit-record-us43b-2016/
https://www.esticastresearch.com/press-release/nutraceuticals-market-forecast
https://www.grandviewresearch.com/industry-analysis/nutraceuticals-market
http://www.agr.gc.ca/eng/industry-markets-and-trade/market-information-by-sector/functional-foods-and-natural-health-products/trends-and-market-opportunities-for-the-functional-foods-and-natural-health-products-sector/opportunities-and-challenges-facing-the-canadian-functional-foods-and-natural-health-products-sector/?id=1410206902299
https://www.grandviewresearch.com/industry-analysis/nutraceuticals-market
http://www.agr.gc.ca/eng/industry-markets-and-trade/market-information-by-sector/processed-food-and-beverages/trends-and-market-opportunities-for-the-food-processing-sector/emerging-food-innovation-trends-and-opportunities/?id=1449236177345
https://www.ota.com/sites/default/files/Org_Ag_Canada_overview_17.03.03-FINAL.pdf
https://www.ota.com/sites/default/files/Org_Ag_Canada_overview_17.03.03-FINAL.pdf
http://www.truleaf.ca/news-and-blog/organic-food-and-canadian-agriculture/
https://www.islandsbanki.is/library/Skrar/Seafood-Reports/Canada%20Seafood%20Market%20Report%202016.pdf
https://www.islandsbanki.is/library/Skrar/Seafood-Reports/Canada%20Seafood%20Market%20Report%202016.pdf

http://www.fao.org/3/a-i6866e.pdf
http://www.dfo-mpo.gc.ca/aquaculture/sector-secteur/stats-eng.htm
http://www.fao.org/3/a-i7171e.pdf
https://www.statista.com/statistics/720062/market-value-smart-agriculture-worldwide/
http://www.realdirtonfarming.ca/assets/docs/PDFs/2016-DIRT-ENG.pdf
https://fertilizercanada.ca/the-right-approach-to-climate-smart-agriculture/
http://www.realdirtonfarming.ca/assets/docs/PDFs/2016-DIRT-ENG.pdf
https://www.statcan.gc.ca/pub/11-402-x/2011000/chap/ag/ag-eng.htm
http://www.agr.gc.ca/eng/about-us/publications/agri-info-newsletter/agri-info-newsletter-november-2017/?id=1509487739355
http://www.agr.gc.ca/eng/about-us/publications/agri-info-newsletter/agri-info-newsletter-november-2017/?id=1509487739355
http://www.statcan.gc.ca/pub/96-325-x/2014001/article/11913-eng.htm
https://www.newswire.ca/news-releases/tweed-farms-to-expand-three-fold-to-over-one-million-square-feet-of-greenhouse-space-under-glass-643201913.html
http://www.statcan.gc.ca/daily-quotidien/170427/dq170427f-eng.htm
https://tvo.org/article/current-affairs/the-next-ontario/why-greenhouses-have-gone-from-blooming-to-booming-in-ontario
http://www.statcan.gc.ca/daily-quotidien/170510/dq170510a-eng.htm?HPA=1
https://www.flowerscanadagrowers.com/about-us
https://www.statista.com/statistics/720062/market-value-smart-agriculture-worldwide/
https://www.brandwatch.com/blog/marketing-the-importance-of-brand-perception/
https://www.newsient.com/future-of-the-global-smart-farming-sales-market-growth-latest-trend-forecast-2022/141612
https://www.whatech.com/market-research/agriculture/348254-research-focused-on-the-global-smart-farming-industry-forecast-from-2017-to-2022
https://steemit.com/future/@atfslab/the-future-is-in-smart-agriculture
https://www.marketsandmarkets.com/Market-Reports/smart-agriculture-market-239736790.html
http://blog.worldfishcenter.org/2017/11/aquaculture-a-climate-smart-innovation-to-feed-the-world/
https://www.nature.com/articles/s41559-017-0257-9
https://www.techsciresearch.com/news/462-global-organic-food-market-to-grow-at-over-16-by-2020.html
http://www.dfo-mpo.gc.ca/aquaculture/sector-secteur/stats-eng.htm
http://seafood.ocean.org/
http://aquacultureassociation.ca/product/aquaculture-canada-2018-conference-and-tradeshow/
http://www.aquaculture.ca/
http://www.seafoodproducers.org/association.shtml
https://www.ota.com/
https://ota.com/event/19904?width=80%25&height=80%25&inline=true#colorbox-inline-1049848940
https://ota.com/event/19905?width=80%25&height=80%25&inline=true#colorbox-inline-1153172548
https://ota.com/event/19956?width=80%25&height=80%25&inline=true#colorbox-inline-512288636
https://ota.com/event/19915?width=80%25&height=80%25&inline=true#colorbox-inline-78585425
http://www.cog.ca
http://www.pharmacopeia.cn/v29240/usp29nf24s0_c565.html
http://www.uspnf.com/pharmacopeial-forum
https://www.nutrasciencelabs.com/blog/5-global-supplement-trends-every-entrepreneur-should-watch



Green Oasis Foods

Reinventing Agriculture