

BEVO AGRO INC.

**CONSOLIDATED
FINANCIAL STATEMENTS**

MARCH 31, 2005

NOTICE TO READER

I have prepared these interim unaudited financial statements for Bevo Agro Inc. in my capacity as Director and Chief Financial Officer. No independent firm of professional accountants has audited, reviewed or otherwise attempted to verify the accuracy or completeness of these financial statements.

D. FAIRHOLM, CA

Milner, BC
April 29, 2005

BEVO AGRO INC.
CONSOLIDATED BALANCE SHEET
AS AT MARCH 31, 2005

	March 31, 2005	June 30, 2004	March 31, 2004
	(Unaudited)	(Audited)	(Unaudited)
<u>ASSETS</u>			
Current			
Cash and cash equivalents	\$ 54,756	\$ 480,910	\$ 327,661
Accounts receivable	2,922,069	2,345,191	2,963,130
Income taxes receivable	–	454,860	455,538
Inventories	5,836,468	1,512,651	4,581,747
Prepaid expenses and deposits	127,027	182,917	334,483
	8,940,320	4,976,529	8,662,559
Capital assets, net of accumulated amortization [Note 4]	31,428,059	32,413,245	32,268,434
Deferred costs, net of accumulated amortization [Note 2]	136,165	65,065	71,967
Goodwill [Note 2]	262,747	262,747	262,747
	\$ 40,767,291	\$ 37,717,586	\$ 41,265,707

LIABILITIES

Current			
Bank indebtedness [Note 5]	\$ 2,618,664	\$ 539,706	\$ 2,180,000
Accounts payable and accruals	3,441,450	1,806,913	3,530,525
Current portion of term debt [Note 6]	2,150,816	1,883,145	1,978,066
Current portion of obligations under capital lease [Note 7]	312,432	450,421	494,790
	8,523,362	4,680,185	8,183,381
Term debt [Note 6]	16,910,379	18,219,977	18,599,421
Subordinated debt [Note 6]	5,000,000	5,000,000	5,000,000
Obligations under capital lease [Note 7]	287,873	532,379	625,018
Future income tax liability [Note 17]	1,514,540	1,621,942	1,480,550
Due to a company with directors in common [Note 8 & 13]	327,333	397,160	399,680
	32,563,487	30,451,643	34,288,050

SHAREHOLDERS' EQUITY

Capital stock [Note 9]	3,718,295	3,156,141	2,907,507
Retained earnings	4,485,509	4,109,802	4,070,150
	8,203,804	7,265,943	6,977,657
	\$ 40,767,291	\$ 37,717,586	\$ 41,265,707

Commitments [Note 12]

On behalf of the Board:

“Jack Benne” Director _____
“Donald Fairholm” Director

BEVO AGRO INC.
CONSOLIDATED STATEMENT OF
OPERATIONS AND RETAINED EARNINGS
FOR THE PERIODS ENDED MARCH 31, 2005

	For the three months ended March 31, 2005	For the nine months ended March 31, 2005	For the three months ended March 31, 2004	For the nine months ended March 31, 2004
Sales	\$ 4,783,461	\$ 13,383,968	\$ 3,636,539	\$ 11,798,324
Cost of sales	2,846,488	8,206,151	2,342,464	7,374,235
Gross margin	1,936,973	5,177,817	1,294,075	4,424,089
Expenses				
Operating and administrative	371,357	1,165,220	310,279	1,076,264
Administrative fees, wages and benefits	338,740	854,602	232,579	625,903
Amortization	517,530	1,544,271	417,445	1,134,936
Interest [Note 14]	453,021	1,351,916	259,571	747,522
	1,680,648	4,916,009	1,219,874	3,584,625
Earnings from operations	256,325	261,808	74,201	839,464
Gain on disposal of assets	6,497	6,497	-	7,420
Earnings before income taxes	262,822	268,305	74,201	846,884
Provision for (recovery of) income taxes				
Current	-	-	(65,952)	127,220
Future	91,987	(107,402)	95,049	197,702
	91,987	(107,402)	29,097	324,922
Net earnings for the period	170,835	375,707	45,104	521,962
Retained earnings, beginning of the period	4,314,674	4,109,802	4,025,046	3,548,188
Retained earnings, end of the period	\$ 4,485,509	\$ 4,485,509	\$ 4,070,150	\$ 4,070,150
Earnings per share	\$ 0.01	\$ 0.02	\$ 0.00	\$ 0.02
Fully diluted earnings per share	\$ 0.01	\$ 0.02	\$ 0.00	\$ 0.02

BEVO AGRO INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIODS ENDED MARCH 31, 2005

	For the three months ended March 31, 2005	For the nine months ended March 31, 2005	For the three months ended March 31, 2004	For the nine months ended March 31, 2004
Cash flows from operating activities				
Net earnings for the period	\$ 170,835	\$ 375,707	\$ 45,104	\$ 521,962
Items not involving cash				
Amortization of capital assets and deferred costs	517,530	1,544,271	417,445	1,134,936
Future income taxes	91,987	(107,402)	95,049	197,702
Non-cash interest	123,288	374,654	–	–
Loss (gain) on disposal of assets	(6,497)	(6,497)	–	(7,420)
Changes in non-cash operating working capital <i>[Note 10]</i>	(1,561,721)	(2,755,408)	(428,191)	(3,027,249)
	(664,578)	(574,675)	129,407	(1,180,069)
Cash flows from financing activities				
Bank indebtedness	701,000	2,078,958	1,186,111	1,193,563
Deferred costs	4,851	(87,308)	–	(75,500)
Advances under term debt	380,000	380,000	1,300,000	11,500,000
Long term debt repayments	(494,671)	(1,421,927)	(380,163)	(1,063,419)
Payments of obligations under capital lease	(102,890)	(382,495)	(283,631)	(462,380)
Loans from a company with directors in common	(64,678)	(69,827)	(6,002)	(39,070)
Shares issued for cash	–	187,500	70,600	110,600
	423,612	684,901	1,886,915	11,163,744
Cash flows from investing activities				
Proceeds on disposal of capital assets	309,952	309,952	–	9,900
Acquisition of capital assets	(208,778)	(846,332)	(1,864,872)	(9,861,967)
	101,174	(536,380)	(1,864,872)	(9,852,067)
Increase (decrease) in cash	(139,792)	(426,154)	151,450	131,608
Cash, beginning of period	194,548	480,910	176,211	196,053
Cash, end of period	\$ 54,756	\$ 54,756	\$ 327,661	\$ 327,661
Supplementary information:				
Interest paid	\$ 329,733	\$ 977,262	\$ 360,611	\$ 848,562
Income taxes paid	–	–	207,586	1,100,692
Non-cash transactions:				
Capital assets acquired through capital lease	\$ –	\$ –	\$ 608,665	\$ 1,019,593

BEVO AGRO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2005

1. Organization

Bevo Agro Inc. was incorporated July 9, 1985, under the *Company Act* (British Columbia), which has been replaced by the *Business Corporation Act* (British Columbia). The stock is publicly traded on the TSX Venture Exchange under the symbol (BVO). The consolidated financial statements include the operations of Bevo Agro Inc. and its wholly-owned subsidiaries: Bevo Farms Ltd. (Langley, B.C.), Bevo Agro Inc. (Nevada) and Bevo Farms Inc. (Arizona), from the date of acquisition on July 11, 2000.

Bevo Farms Ltd. operates 34 acres of propagation greenhouse facilities on 98 acres of land in Langley, B.C. The company's main products are the propagation of vegetable plants such as tomatoes, peppers, lettuce, cucumbers, and other plants such as bedding plants, flowers, trees, cranberries and grasses. In general the company markets its products to established greenhouse growers and nurseries throughout North America. Bevo Agro Inc., a Nevada corporation, and Bevo Farms Inc., an Arizona corporation, are both holding companies.

2. Significant accounting policies

Consolidation

The consolidated financial statements include the accounts of the company and its subsidiaries, all of which are wholly owned. All significant intercompany transactions have been eliminated.

Interim reporting

In the opinion of management the unaudited quarterly consolidated financial statements reflect all adjustments consisting only of normal and recurring adjustments, necessary to present fairly the financial position at March 31, 2005, and the results of operations and changes in the financial position for the nine months ended March 31, 2005, in accordance with accounting principles generally accepted in Canada. These financial statements should be read in conjunction with the company's audited financial statements and notes thereto related to the year ended June 30, 2004.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant financial statement items which involve measurement uncertainty include accounts receivable, inventories, and accounts payable and accruals. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks, and highly liquid temporary investments with maturities of three months or less at the time of acquisition.

BEVO AGRO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2005

2. Significant accounting policies (continued)

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies have been translated into Canadian dollars at the rate of exchange prevailing at the balance sheet date and non-monetary items are translated at rates of exchange in effect when the assets are acquired or obligations incurred. Revenue and expense items are translated at the average rate of exchange for the period. Foreign exchange gains and losses are included in income.

Inventories

Inventories are valued at the lower of cost and the net realizable value for work in process and at current replacement cost for raw materials. The cost of inventories includes the cost of materials, labour and direct overhead costs.

Income taxes

The company uses the asset and liability method of accounting for income taxes. Under this method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted Canadian tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. When realization of future income tax assets does not meet the more likely than not criterion then a valuation allowance is provided.

Revenue recognition

Revenue is recognized using the completed contract method of accounting when the propagation process is completed and the products are shipped to the customers.

Capital assets

Capital assets are recorded at cost. Amortization is provided using the declining-balance basis at the following annual rates:

Asset	Rate
Buildings	2.5-5%
Greenhouse, shade and packaging equipment	5%
Land improvements	5%
Machinery and equipment	10%-30%

Equipment under capital leases is amortized over the term of the lease agreement.

BEVO AGRO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2005

2. Significant accounting policies (continued)

Deferred costs

		March 31, 2005		June 30, 2004
Deferred financing fees	\$	48,858	\$	65,065
Deferred research and development		87,307		-
	\$	136,165	\$	65,065

Costs incurred to obtain debt financing are deferred and amortized on a straight-line basis over the term of the financing obtained. Costs incurred for research and development are amortized on a straight-line basis over the term of the project.

Goodwill

Goodwill represents the excess of the purchase price over the fair values of net assets acquired in the acquisition of a propagation greenhouse facility. The company has adopted the Canadian generally accepted accounting principles for recording goodwill. As a result, goodwill is no longer amortized to income. Instead, the carrying value of goodwill is reviewed on an annual basis to determine if there has been an impairment. The carrying value of goodwill will be written down if the value is permanently impaired. An impairment exists if the future cash flows from the operations are less than the net book value. Management is of the opinion that there has been no diminution in the value assigned.

Net earnings per common share

Basic earnings per share are computed by dividing the net earnings by the weighted average shares outstanding during the reporting period. Diluted earnings per share are computed similar to basic earnings per share except that the weighted average shares outstanding are increased to include additional shares from the assumed exercise of stock options, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options were exercised and that the proceeds from such exercises were used to acquire shares of common stock at the average market price during the reporting period.

3. Seasonality of operations

Sales of seedling and bedding plants are based upon customer demand and deliveries are scheduled according to customer requirements, which fluctuate from season to season. Since fixed costs such as interest, amortization and overhead costs apply uniformly throughout the year, profitability results may vary significantly from quarter to quarter.

BEVO AGRO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2005

4. Capital assets

	Cost	Accumulated Amortization	Net Book Value March 31, 2005
Land	\$ 2,406,212	\$ —	\$ 2,406,212
Land improvements	512,160	110,888	401,272
Buildings	874,403	127,443	746,960
Equipment under capital lease	2,158,464	1,340,205	818,259
Greenhouse, shade and packing equipment	28,346,074	5,508,948	22,837,126
Machinery and equipment	5,923,501	1,841,024	4,082,477
Capital project in progress	135,753	—	135,753
	\$ 40,356,567	\$ 8,928,508	\$ 31,428,059

	Cost	Accumulated Amortization	Net Book Value June 30, 2004
Land	\$ 2,709,667	\$ —	\$ 2,709,667
Land improvements	512,160	95,254	416,906
Buildings	524,713	110,100	414,613
Equipment under capital lease	2,118,196	964,383	1,153,813
Greenhouse, shade and packing equipment	28,118,553	4,625,999	23,492,554
Machinery and equipment	5,802,181	1,604,710	4,197,471
Capital project in progress	28,221	—	28,221
	\$ 39,813,691	\$ 7,400,446	\$ 32,413,245

During the quarter the company sold 160 acres of land in Willcox, Arizona.

5. Bank indebtedness

The company has a revolving line of credit in the amount of \$2,500,000. This line of credit bears interest at prime, is due on demand and is secured by the same security provided for the bank term loans described in Note 6.

BEVO AGRO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2005

6. Term and subordinated debt

	March 31, 2005	June 30, 2004
Mortgages payable		
Bank of Nova Scotia loan, maturing in September 2008, carries interest at 6.35% per annum, repayable with blended monthly payments of \$25,110.	\$ 1,946,995	\$ 2,077,038
Bank of Nova Scotia loan, maturing in September 2006, carries interest at 6.00% per annum, repayable with blended monthly payments of \$14,038.	838,908	925,406
Bank of Nova Scotia loan, maturing in September 2006, carries interest at 5.55% per annum, repayable with blended monthly payments of \$20,877.	1,243,163	1,376,327
Bank of Nova Scotia loan, maturing in October 2005, repayable with monthly principal payments of \$1,667. Interest is payable monthly at prime plus 1% per annum.	34,423	49,426
Bank of Nova Scotia loan, maturing in September 2006, carries interest at 6.00% per annum, repayable with blended monthly payments of \$14,100.	1,261,298	1,329,940
Bank of Nova Scotia loan, maturing in September 2006, carries interest at 6.00% per annum, repayable with blended monthly payments of \$37,965.	3,564,986	3,742,172
Bank of Nova Scotia loan, maturing in September 2008, carries interest at 6.35% per annum, repayable with blended monthly payments of \$28,066.	2,754,800	2,873,363
Bank of Nova Scotia loan, maturing in September 2006, carries interest at 5.65% per annum, repayable with blended monthly payments of \$39,047.	1,129,268	1,425,890
Bank of Nova Scotia loan, maturing in February 2007, carries interest at prime plus 1% per annum, repayable with blended monthly payments of \$15,835.	364,165	—
Bank of Nova Scotia loan, maturing in February 2009, repayable with monthly principle payments \$25,000. Interest is payable monthly at prime plus 1% per annum.	1,175,000	1,400,000
Bank of Nova Scotia loan, maturing in May 2009, carries interest at 6.40% per annum, repayable with blended monthly payments of \$42,990.	4,748,189	4,903,560
	19,061,195	20,103,122
Less: current portion	2,150,816	1,883,145
Term debt	\$ 16,910,379	\$ 18,219,977

BEVO AGRO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2004

6. Term and subordinated debt (continued)

Convertible subordinated debenture (Note 12)

Banyan Capital Partners convertible debenture, maturing September 2007. Interest at 10% per annum is payable with Bevo Agro Inc. common shares for the first two years at the market price of the shares at time of payment. The principal amount may be converted into common shares of Bevo at the rate of \$0.60 per share for the first two years, \$0.66 for the third year and \$0.73 for the fourth year.

\$	5,000,000	\$	5,000,000
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The bank loans are secured by a general security agreement, collateral mortgage on capital assets, general assignment of inventory, receivables, equipment, property insurance and unlimited corporate guarantees of the principal shareholder.

It is the company's intention to renew the long-term debt as it becomes renewable in the normal course of business at prevailing interest rates and repayment terms at the time of renewal.

Principal payments on mortgages and subordinated debt required to be made in the next five years and thereafter are as follows:

	March 31, 2005	June 30, 2004
2005	\$ —	\$ 1,883,145
2006	2,150,816	1,978,988
2007	7,230,362	7,067,465
2008	1,951,345	1,870,538
2009 (and thereafter)	1,744,527	12,302,986
2010 (and thereafter)	10,984,145	—
	\$ 24,061,195	\$ 25,103,122

BEVO AGRO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2005

7. Obligations under capital lease

	March 31, 2005		June 30, 2004
Obligations under capital lease	\$ 708,395	\$	1,141,263
Less: imputed interest	108,090		158,463
	600,305		982,800
Less: current portion	312,432		450,421
	\$ 287,873	\$	532,379

Future minimum lease payments for the next four years are as follows:

	March 31, 2005		June 30, 2004
2005	\$ -	\$	450,421
2006	312,432		297,938
2007	219,145		217,627
2008	68,728		16,814
	\$ 600,305	\$	982,800

Annualized interest rates range from 3.9% to 7.0%.

8. Due to a company with directors in common

Amounts due to C.G.M. Ventures Inc. are unsecured, non-interest bearing and have no set terms of repayment. It is not the intention of the creditor company to demand repayment of the loan in the next fiscal period and it is therefore classified as a non-current liability.

BEVO AGRO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2005

9. Capital stock

Authorized

Unlimited common shares with no par value.

	Number of Shares		Amount
Issued and outstanding at June 30, 2004	23,139,896	\$	3,156,141
Issue of shares due to exercise of stock options	750,000		187,500
Issue of shares in payment of interest on convertible debenture	879,251		374,654
Issued and outstanding at March 31, 2005	24,769,147	\$	3,718,295

(a) Summary of stock options outstanding as at March 31, 2005.

Security Type	Number Outstanding	Price	Expiry Date
Share options	900,000	\$ 0.30	April 3, 2006
Share options	130,000	\$ 0.30	December 15, 2007

- (b) The company has adopted a stock option plan, which reserved 2,411,900 shares for issuance under Plan options and any outstanding prior options granted outside of the Plan. Shares reserved under Plan options or prior options that expire, terminate or otherwise cease to be exercisable will become available for the issuance of future options under the Plan, subject to the 2,411,900 share maximum. The number of shares reserved does not exceed 10% of the Company's current issued and outstanding share capital.
- (c) Stock options on 750,000 common shares have been exercised during the nine months ended March 31, 2005 for total proceeds of \$187,500. Stock options on 150,000 shares expired during the same period.

BEVO AGRO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2005

10. Changes in non-cash operating working capital

	For the three months ended March 31, 2005	For the nine months ended March 31, 2005	For the three months ended March 31, 2004	For the nine months ended March 31, 2004
Accounts receivable	\$ 881,200	\$ (576,878)	\$ 2,335	\$ (430,453)
Income taxes receivable	454,860	454,860	(282,606)	(455,538)
Prepaid expenses	58,605	55,890	1,114,431	(63,721)
Inventories	(2,258,149)	(4,323,817)	(1,713,623)	(3,209,712)
Accounts payable and accruals	(698,237)	1,634,537	451,272	1,650,109
Income taxes payable	-	-	-	(517,934)
	\$ (1,561,721)	\$ (2,755,408)	\$ (428,191)	\$ (3,027,249)

11. Financial instruments and risk management

The company has various financial instruments including cash, receivables, amounts due to a company with directors in common, payables, income taxes payable and term debt. The carrying values of all the financial instruments approximate their fair value.

The company is exposed to the following risks related to its financial assets and liabilities:

Currency risk

The company is exposed to currency risk as some of its accounts receivable are denominated in U.S. dollars. The company earns some revenue in U.S. dollars and incurs most of its expenses in Canadian dollars.

BEVO AGRO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2005

11. Financial instruments and risk management (continued)

Interest rate risk

The company's debt has both fixed and floating interest rates. At March 31, 2005, the fair market value of the mortgages payable approximates the book value of \$24,061,195 (June 2004: \$25,103,122).

	March 31, 2005	June 30, 2004
Mortgages-fixed interest rates	\$ 17,487,607	\$ 18,653,696
Convertible debentures-fixed interest rates	5,000,000	5,000,000
	22,487,607	23,653,696
Floating interest rates	1,573,588	1,449,426
	\$ 24,061,195	\$ 25,103,122

Credit risk

The company is subject to credit risk through accounts receivable. Credit risk is minimized as the company's customers are geographically dispersed, a substantial portion of the company's sales are to customers with whom long term business relationships have been established, and no one customer accounts for more than 11% of sales.

12. Commitments

Operating leases

The company has entered into automobile operating leases. The future minimum lease payments for the next three years are as follows:

	March 31, 2005	June 30, 2004
2005	\$ -	\$ 17,927
2006	12,853	11,725
2007	5,862	2,931
	\$ 18,715	\$ 32,583

Security agreement

The company has entered into an agreement with Banyan Capital Partners with respect to the private placement of a convertible debenture in the principal amount of \$5,000,000. The debenture is secured by a fixed and floating charge on the assets of the subsidiary, Bevo Farms Ltd., subordinate to the existing security granted on the company's debt, to the Bank of Nova Scotia.

BEVO AGRO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2005

13. Related party transactions

The company is party to the following related party transactions:

	For the three months ended March 31, 2005	For the nine months ended March 31, 2005	For the three months ended March 31, 2004	For the nine months ended March 31, 2004
Management fees paid to a company with directors in common	\$ 126,000	\$ 378,000	\$ 126,000	\$ 378,000
Management fees paid to a company with directors in common – share options	–	150,000	–	–
Director's fees	9,000	15,119	3,919	18,857
Professional fees paid to companies owned by directors	29,018	105,461	45,130	114,923
Decrease in loan from a company with directors in common	64,678	69,827	6,002	39,070
Interest paid in shares to Banyan Capital Partners	123,288	374,654	124,317	414,041

The company has the following related party loans payable:

	March 31, 2005	June 30, 2004
Subordinated loan from Banyan Capital Partners	\$ 5,000,000	\$ 5,000,000
Due to a company with directors in common	327,333	397,160

The President and Vice-President provide management services to the Company via their management company, C.G.M. Ventures Inc. The management fees are approved annually by the Board of Directors. Two directors provide additional professional services to the Company via their professional corporations. The services are in the normal course of operations and are measured at the exchange amount of consideration. One of the directors is a principal of Banyan Capital Partners, a creditor of the company.

BEVO AGRO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2004

14. Interest

Interest is as follows:

	For the three months ended March 31, 2005	For the nine months ended March 31, 2005	For the three months ended March 31, 2004	For the nine months ended March 31, 2004
Interest - operating line of credit	\$ 18,356	\$ 39,021	\$ 13,667	\$ 29,651
- term debt	285,669	886,244	215,115	660,678
- convertible debenture	123,288	374,654	-	-
- capital leases	25,256	50,372	20,251	46,655
- other	452	1,625	10,538	10,538
	453,021	1,351,916	259,571	747,522
Interest capitalized				
- term debt	-	-	72,878	121,020
- convertible debenture	-	-	124,317	251,714
	\$ 453,021	\$ 1,351,916	\$ 456,766	\$ 1,120,256

15. Segmented information

The company operates in only one industry segment: propagation of greenhouse products. Geographic information is as follows:

	For the three months ended March 31, 2005 Sales	For the nine months ended March 31, 2005 Sales	For the three months ended March 31, 2004 Sales	For the nine months ended March 31, 2004 Sales
Canada	\$ 2,714,300	\$ 8,153,567	\$ 1,593,334	\$ 6,593,879
United States	1,993,187	4,878,984	1,871,054	4,756,851
Mexico	75,974	351,417	172,151	447,594
	\$ 4,783,461	\$ 13,383,968	\$ 3,636,539	\$ 11,798,324

BEVO AGRO INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2004

15. Segmented information (continued)

	March 31, 2005	March 31, 2004
	Capital Assets	Capital Assets
Canada	\$ 31,428,059	\$ 31,964,979
United States	-	303,455
	\$ 31,428,059	\$ 32,268,434

16. Comparative figures

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

17. Future income tax liability

The tax effects of temporary differences that give rise to significant portions of the future tax assets and future tax liabilities are presented below:

Future tax assets:	
Tax losses available for carryforward	\$ 181,293
Goodwill, tax deductions available in excess of amortization	88,351
	269,644
Less valuation allowance	175,993
	93,651
Future tax liabilities:	
Less capital assets, net book value in excess of undepreciated capital cost	1,715,593
Net future tax liability, at June 30, 2004	1,621,942
Less future income tax adjustment – current year	107,402
Net future tax liability, at March 31, 2005	\$ 1,514,540