

CONFIDENTIALITY AGREEMENT

THIS AGREEMENT made the ____ day of _____, 2008.

BETWEEN:

**SULLIVAN & ASSOCIATES INC.,
in its own capacity and as Receiver and Receiver-Manager for
Natural Valley Farms Inc.
(hereinafter called the "Receiver")**

AND:

(hereinafter called the "Examiner")

WHEREAS the Receiver was appointed as receiver and receiver-manager of Natural Valley Farms Inc. ("NVF") by Order of the Court of Queen's Bench for Saskatchewan on September 23, 2008, and has requested proposals for either the refinancing of or the restructuring/reorganization of NVF's existing financing and operational structure or for the purchase of the assets of NVF;

AND WHEREAS the Examiner has expressed the desire to complete a review and due diligence regarding NVF and its assets and operations to consider whether to provide the Receiver with a proposal, and the Receiver has agreed to allow access to NVF's business premises and to disclose certain proprietary and other confidential information (as hereinafter defined) to the Examiner in respect of the undertaking, property and assets of NVF and to allow the Examiner access to the operations and facilities of NVF for the purpose of enabling the Examiner to carry out a due diligence investigation in respect thereof with a view to making a proposal to the Receiver (which proposal will involve the Examiner entering into a transaction with the Receiver in respect of NVF and specifically either its operations or its assets or a combination there, and is hereafter referred to as the "Transaction");

AND WHEREAS aspects of NVF's operations are or may reasonably considered to involve sensitive information or facts, and disclosure of such operations or facts and/or disclosure of any confidential information, as hereinafter defined, to competitors of NVF or to the general public would be highly detrimental to NVF, and by extension would be highly detrimental to the Receiver and to the interests of creditors of NVF, particularly the secured creditors of NVF;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the covenants and agreements of the parties herein contained, it is agreed between the parties as follows:

1. The expression "Confidential Information" means any information pertaining to NVF, its assets or business (including but not limited to the nature of its current business activities and processes), owned, possessed or used by NVF, whether in oral or recorded form (whether in writing or in electronically retrievable form or electronically stored data or otherwise) furnished to or obtained by the Examiner, whether furnished or obtained before or after the date of this agreement, including, without limitation, asset particulars and listing, financial data, research reports, contracts, technical data, drawings, specifications, know-how, computer programs, software, algorithms, software information, hardware designs, technology, marketing or business plans, licences, prices, costs, personnel data, supplier information, customer information and information relating to or comprising any invention, product, formula, method, technique, composition, compound, development, plan, apparatus, trade secret or process, howsoever and whensoever obtained by the Examiner, whether directly from NVF or otherwise, with the exception of the following:

- (a) information in the public domain at the time of disclosure to the Examiner;
- (b) information that, after disclosure to the Examiner, becomes a part of the public domain through no act or omission of the Examiner or its officers, employees, agents, advisors or other representatives;
- (c) information that the Examiner can show was lawfully within its possession prior to its receipt thereof from NVF;
- (d) information received in good faith by the Examiner from a third party who was lawfully in possession of and had the right to disclose the same;
- (e) information required by any governmental laws, rules or regulations, by any governmental regulatory authorities or any stock exchange having jurisdiction over the Examiner, provided the Examiner shall exercise its best efforts to assure that such information shall be accorded confidential treatment and provided further that prior written notice of any intended disclosure shall be given to NVF and, if requested, the Examiner shall provide all reasonable assistance to NVF in respect of any application NVF may make or undertake for an order or waiver exempting the disclosure of such information.

Without limiting the generality of the foregoing, the nature and extent of NVF's current operations of the operations of the lessee of the premises from NVF, are acknowledged to be sensitive business matters and shall not be disclosed to the public, directly or through any news media, at any time without the prior written consent of the Receiver, which consent shall be solely within the discretion of the Receiver. The parties acknowledge that this step is taken to respect and protect the confidentiality of the lessees's business operations. All references to Confidential Information herein shall include such business and operational information.

2. The Examiner covenants with the Receiver as follows:

- (a) To hold all Confidential Information in confidence and treat such Confidential Information as proprietary and confidential information of NVF and not disclose any Confidential Information to any individual or entity other than those employees, agents, advisors or other representatives who need to know the Confidential Information for the purposes of evaluating the proposal that the Examiner wishes to consider making to the Receiver, provided that:
 - (i) the Examiner shall notify each such Examiner's employees, agents, advisors or other representatives of the obligations contained herein with respect to the confidentiality of Confidential Information and restrictions on use; and
 - (ii) the Examiner shall direct each such employee, agent, advisor or other representative to exercise a level of care sufficient to preserve the confidentiality of the Confidential Information and shall direct each such person to abide by the terms and conditions of this agreement, and will take all reasonable steps, including, without limitation, the obtaining of suitable undertakings, to ensure

that Confidential Information is not disclosed by any of such persons to any other party or used in a manner contrary to this agreement.

In the event of any breach of this agreement by the Examiner or any of the Examiner's directors, officers, employees, agents, advisors and other representatives, the Examiner shall indemnify and save harmless the Receiver and NVF for any and all losses, liabilities, damages or claims suffered or incurred by or made against the Receiver and/or NVF as a result of such breach;

- (b) To not use the Confidential Information, either directly or indirectly, for any purpose whatsoever other than to make an informed evaluation and decision with respect to the Transaction and in the event the Transaction proceeds, then in respect of Confidential Information governed by applicable privacy legislation, to only use such information for the purposes for which it was obtained by NVF or the Receiver, as the case may be;
- (c) To return to the Receiver or destroy all Confidential Information in written or other tangible form upon the request of the Receiver;
- (d) To not make or retain copies, extracts or other reproductions of the Confidential Information.

3. All information comprised in the Confidential Information, including electronically stored data, obtained by the Examiner from or through the Receiver shall remain the property of the Receiver or of NVF, as the case may be.

4. The Examiner hereby agrees that all covenants contained herein are reasonable and valid and waives all defences to the strict enforcement thereof.

5. The Examiner acknowledges that a breach of any of the provisions of this agreement will result in immediate and irreparable damage to the Receiver and/or NVF and that money damages would not be a sufficient remedy for any breach and agrees that in the event of such breach, the Receiver shall, in addition to any other right of relief, be entitled to equitable relief including, without limitation, relief by way of temporary or permanent injunction and to such other relief that any court of competent jurisdiction may deem just and proper.

6. The Receiver will endeavour to include in the Confidential Information materials which are believed to be reliable and relevant for the Transaction. The Examiner acknowledges and agrees that neither Receiver nor any of its directors, officers, employees, agents or other representatives represent or warrant the accuracy or completeness of the Confidential Information and none of them shall be responsible or liable for any losses, liabilities, damages or claims suffered or incurred by or made against the Examiner in reliance upon such Confidential Information.

7. No announcement in respect of the dealings between the Examiner and the Receiver and no announcement in respect of Transaction will be made by any party hereto without the prior approval as to both form, content and necessity of making such announcement by the other party or parties hereto. Nothing herein shall restrict the Receiver from fulfilling its obligations as an officer of the Court from providing the information that it might reasonably be required to provide from time to time to the Court or to NVF and its secured creditors that proceeded with or were involved in the application to appoint the Receiver, Farm Credit Canada and Conexus Credit Union 2006.

8. The Receiver may discontinue providing Confidential Information to the Examiner at any time after the date of this agreement in the event that negotiations between the Receiver and the Examiner in respect of the Transaction terminate. The obligations of the Examiner under this agreement shall continue and survive the completion of the discussions between the Receiver and the Examiner and shall remain binding thereafter, without limitation.

9. This agreement constitutes the entire understanding and agreement between the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings between the parties relating to the subject matter hereof; and the parties acknowledge that no binding agreement will be deemed to have been reached concerning the Transaction unless and until a separate formal agreement in writing with respect to the same has been executed and delivered by each of the parties.

10. This agreement may not be assigned by the Examiner; any attempt to do so is void and of no effect.

11. This agreement may be executed by the parties in separate counterparts, each of which when so executed and delivered (which may include delivery by facsimile or electronic transmission and the reproduction of signatures by facsimile or electronic transmission) will be treated as binding as if originals, and which, if taken together, shall constitute one and the same instrument.

12. This agreement shall be construed in accordance with the laws of the Province of Saskatchewan, and each of the parties hereto irrevocably attorns to the jurisdiction of the courts of the Province of Saskatchewan.

IN WITNESS WHEREOF this agreement has been executed as of the day and year first above written.

SULLIVAN & ASSOCIATES INC.

Per: _____

Per: _____

Per: _____