



FLAX COUNCIL OF CANADA

September 2, 2009

Present Situation Canadian Flax in European Market Place

European labs have been testing Canadian flax and initial analytical results indicate the presence of NPTII, a genetic marker, in some samples. Although this, in itself, does not prove that the flax is genetically modified (GM); however, many buyers are indicating this to be the case.

The Canadian Flax industry understands the seriousness of this situation and is acting proactively to identify the source of this marker. The Flax Council of Canada (FCC), on behalf of the flax industry, is working closely with the Canadian Grain Commission/Grain Research Laboratory. As well, we have been liaising with other labs and are looking for complimentary expertise.

There are no GM varieties of flax registered or commercially produced in Canada. The industry, through the FCC, is committed to determining the source of these results utilizing stringent and reliable analysis. As these become available, we will communicate further with you.

Sincerely,

A handwritten signature in blue ink, appearing to read "M. Barry Hall".

M. Barry Hall
President

BH/mch