



**Innovation Place Newsletter
November, 2001 Edition**

**Innovation
AFTER HOURS
The 8th annual
Innovation Place business trade show
Thursday,
November 22
3:00 - 6:00 p.m.
Main Floor
Galleria Building**

Over 500 members of the local business community are expected to attend this eagerly anticipated annual event, held in collaboration with the Saskatoon and District Chamber of Commerce! Visit Innovation After Hours and discover the newest achievements of Saskatoon's rapidly expanding Information Technology, Biotechnology and Environmental Sciences sectors.

Regina Research Park officially opens IT building: The Terrace

On Monday, October 15, Saskatchewan Premier Lorne Calvert officially opened The Terrace, the flagship building of Regina Research Park. Also in attendance was Maynard Sonntag, Minister of Crown Investments Corporation who spoke on behalf of Eldon Lautermilch, Minister Responsible for Saskatchewan Opportunities Corporation (SOCO).

The building, located at 10 Research Drive, is dedicated to serving the province's Information Technology (IT) sector, and is home to several leading IT companies including the Information Services Corporation of Saskatchewan, Saskatchewan Health Information Network (SHIN), Loose Foot Computing and Technology Management Corporation. The new facility will help foster the advancement of the IT industry, ranging from wireless communications to networking.

Saskatchewan's rapidly expanding Information Technology sector generates revenues of more than \$1.5 billion annually, and employs 8,300 people. The province is the birthplace of many exciting IT breakthroughs, including the development of the world's first automated health card system, the introduction of North America's first automated banking service, the introduction of on-line point-of-sale transactions and the installation of the world's longest commercial fibre optics system (at the time of installation in 1984).

Our province's global IT expertise includes advising on the telecommunications system for the Eurotunnel, supplying instrumentation for Japanese satellites and building components for the Canadarm on the space shuttle. Saskatchewan IT technologies are in demand around the world, and out of this world!

With the opening of The Terrace in Regina Research Park, Saskatchewan's IT industry will be able to take advantage of new resources and infrastructure, resulting in further advancements in the industry.

The Terrace is the fourth building constructed on the site of the 110-acre Regina Research Park, owned and operated by SOCO, adjacent to the University of Regina (U of R).

Just months ago, officials celebrated the opening of the 60,000 square foot Petroleum Technology Research Centre (PTRC) at Regina Research Park. The building has four major

tenants, including the Saskatchewan Research Council's Petroleum Research Group, the University of Regina's Petroleum Engineering Group, the Petroleum Technology Research Centre and the Prairie Adaptive Research Co-operative. These companies are committed to developing a new generation of oil recovery technologies.

Regina Research Park builds on the success of Innovation Place in Saskatoon, now considered one of the leading research parks in North America.

Both research parks offer an environment designed to foster collaborative research and the sharing of knowledge. Companies are also attracted to the research parks' state-of-the-art infrastructure, including high speed data networks and laboratory facilities.

Saskatchewan's two research parks are home to 137 companies, employing almost 2,500 people in such fields as biotechnology, petroleum technology and information technology. By generating \$250 million in economic activity annually, Innovation Place and now Regina Research Park are demonstrating their importance as vital tools of diversification and growth for Saskatchewan's economy.

POS Pilot Plant announces expansion to processing facilities

Industry will soon have access to new equipment for developing high-value components used in nutraceuticals, functional foods, phytochemicals, cosmetics, edible oils, foods and fine chemicals.

The POS Pilot Plant, the internationally renowned contract R&D organization located adjacent to Innovation Place on the University of Saskatchewan campus, made the announcement at a media event held on September 7.

The POS Pilot Plant is already home to pilot-scale processing equipment, which is in demand by many established companies. In 2000, the value of projects produced for clients located around the world was \$4.5 million.

At the press conference, POS Pilot Plant President and CEO Robert Morgan announced that the research organization is installing new mini-scale processing equipment designed to fill the gap that exists between laboratory workbench sample sizes and pilot-scale processing. Morgan says the mini-scale equipment will be especially useful for smaller companies in the food, health food and dietary supplements industry.

"The mini-scale facility will be useful to entrepreneurs who may not have the finances or the desire to make the jump from the lab bench to pilot-scale processing. The new system will allow them to have the work done on a smaller scale," says Morgan.

The small-scale processing system will also create new opportunities for collaborative research with such institutions as the University of Saskatchewan and Agriculture and Agri-Food Canada, says Morgan.

Planning for the mini-scale processing station dates back to the fall of 1998, when Morgan first came onboard as the new POS president and CEO, after a lengthy term as General Manager of Research at Saskatchewan Wheat Pool.

One of Morgan's first mandates was to encourage stronger working relationships with other organizations and institutions in the research community.

"We came to the realization that we couldn't do everything ourselves, and that there were opportunities to work with other organizations that we needed to pursue."

In February of 2001, a Memorandum of Understanding was signed between POS and the University of Saskatchewan's College of Agriculture. The agreement signalled the start of new joint research projects and training in areas ranging from feed research to food science.

At the September 7 press conference, Morgan announced a second Memorandum of Understanding had been signed between POS and Agriculture and Agri-Food Canada.

Morgan says the agreement further enhances opportunities to carry out collaborative research on plant component processing. He also noted that while equipment is important to processing research, the skills and relationships among the people who plan the research strategies and carry out the work are vital to success.

“What those agreements say is that each organization is prepared to try and find ways to work jointly on projects, and access the resources each organization has to offer,” says Morgan.

“In all such projects, we want to avoid duplicating each other’s efforts and instead complement each other’s resources.”

In formalizing the agreements for collaborative research with the U of S and Agriculture Canada, Morgan says that a need was identified for small-scale processing equipment.

“Other research organizations and small entrepreneurs find it a major jump financially and also in terms of the volume of materials that you have to have, to use the regular pilot plant processing equipment.

“We decided that if we had something in between the regular pilot plant and laboratory workbench sample sizes, that could process a bag of seed or a five-gallon pail of material within a day, for example, it would reduce our clients’ time and costs,” says Morgan.

“Also, with some of the higher-cost materials that are now being processed, particularly by members of the nutraceutical industry, the regular pilot plant is close to commercial scale production. In these situations, the clients do not require vast quantities of material to be processed. Using a smaller system, like the mini-scale processing equipment we have ordered, makes more sense.”

Morgan says that some of the equipment required for the mini-scale processing system were already in place at POS as well as at the Agriculture Canada Research Station on campus. Agriculture and Agri-Food Canada has contributed equipment located both at AAFC’s Saskatoon Research Station and the POS Pilot Plant, valued at \$3 million. POS has dedicated another \$1.065 million in equipment resources already on site.

Western Economic Diversification (WD) contributed a \$635,000 grant, which made it possible to buy three new specialized pieces of equipment for the mini-processing system, with a total value of \$4.7 million. “Western Economic Diversification saw a need for a small-scale facility like this, so they were prepared to invest in what we saw as the most urgent pieces of equipment required.”

Morgan describes the mini-scale system as the “little brother” to POS’ regular pilot plant processing facilities. Two of the three major pieces of equipment have already arrived; the third should be in Saskatoon any day, adds Morgan. “That equipment will be set up so we can begin processing as soon as possible.”

It will take several months to commission and calibrate the equipment properly, says Morgan. “With one of the pieces of equipment, it’s only the fourth one made in the world and has been custom made for our needs.”

Morgan says that the staff at POS has a “wish list of other types of equipment that could further enhance our processing capabilities. We could then move further into some of the areas which might be of interest to clients who are working in essential oils, for example.

“However, we will only purchase additional equipment as we ascertain there will be an adequate return on our investment.”

The installation of the mini-scale equipment will further enhance the POS Pilot Plant’s position as a contract research facility of international importance, says Morgan.

“We are unique in the world in terms of the depth and breadth of services that we provide to clients. In addition to our equipment infrastructure, the people we have running it are world class. They’ve gained this experience through working with many of the major companies of the world, companies that are currently dominating the marketplace.”

Because its client base includes so many national and international corporations, POS has taken steps to ensure that its processing facilities are compliant with Good Manufacturing Practices (GMP). "We had to develop that capability to serve our larger clients. As a result, our small clients and local entrepreneurs also benefit from that level of assured quality." Without the POS Pilot Plant, Morgan says that many clients would be forced to go south of the border for similar research services. "And the fact remains, that no one organization, anywhere in the U.S. or the world, offers the type of comprehensiveness in terms of services, infrastructure and dedication that is available at POS."

Among the potential clients of the new mini-scale extraction and refining system will be agri-food and ag biotech companies located at Innovation Place. Morgan explains that the mini-scale processing system will not compete, but will rather complement the Bio Processing Centre already in operation at Innovation Place.

"The difference between the two facilities is the scale and specificity. Most of the processes offered at the Innovation Place Bio Processing Centre are set up for alcohol or aqueous type of extractions. We can do some of that, but we don't have the size capability in terms of our regular pilot plant. It makes more sense to work with the Innovation Place Bio Processing Centre if that's the type of extraction work you need," says Morgan.

"However, if you need a process outside of the alcohol or aqueous extractions, on a small scale, the mini-processing system at POS Pilot Plant fills the niche."

Innovation Place featured in Time Magazine

The Canadian edition of Time Magazine recently featured Innovation Place as one of four hot spots of high-tech innovation in the country. The article, written by Chris Turner, described Innovation Place as "one of the world's foremost centers for agricultural biotechnology" and "one of Canada's new high-tech incubators" for the IT sector.

Turner chronicled the phenomenal growth of the research park, from the agreement reached in the early 1980s by the provincial government and the University of Saskatchewan to develop a facility that would "jump start high tech research" in the city - to the park's current status as a thriving community of more than 115 companies, employing 2,200 people. Among the companies mentioned in the article by Turner was Philom Bios, which the writer described as "a perfect laboratory case of how stellar international performance can spring up even in the middle of wheat stubble."

The research park's facilities also impressed Turner. "From the meticulously landscaped grounds of Saskatoon's Innovation Place - a 32-hectare campus of stylish brick-and-glass office buildings and research labs that boasts coffee bars and game rooms, parks dotted with baseball diamonds and ponds, even an upscale private restaurant - a wheat field is visible in the distance. It's a telling contrast."

With the Canadian Light Source synchrotron facility now reaching completion on the perimeter of the research park, Turner anticipates that Innovation Place will soon experience another wave of growth as companies flock to the research park to capitalize on breakthroughs stemming from synchrotron research. "(Innovation Place's) place on the international road map can only grow," concludes Turner.

UPDATES:

Who's new to Innovation Place?

Innovation Place welcomes the following new companies to the research park community:

- Canadian Grain Commission, located at #103 - 108 Research Drive. For more information, contact Larry Michta at (306) 975-5714.
- Saskatoon District Health has opened offices at 253 - 111 Research Drive. Contact Craig Ayers at (306) 655-1517.

Changes of address...

Please note the following changes of address for these Innovation Place companies:

- Northern Enviro Search, now located at #104 - 108 Research Drive.
- Dow AgroSciences, now located at #101 - 421 Downey Road.
- Aventis CropScience Canada Co. has relocated to 203 - 407 Downey Road.

Saskatchewan Advanced Technology Association & Saskatoon Regional Economic Development Authority Inc. present

A Biotechnology Commercialization Forum

Thursday, Nov. 15, 2001

Registration: 7:30 a.m.

Speakers: 8:00 a.m. - 12:00 p.m.

With presentations by national experts on:

- * Recent developments in biotech patents
- * Licensing and protection strategies
- * Raising capital for biotech ventures
- * Due diligence for biotech firms
- * Navigating the regulatory maze in Canada and the U.S.

Seating must be reserved in advance. Tickets: \$15/person and include a continental breakfast

To register, call SREDA at
664-0707 by Nov. 9/2001

Hockey team seeks new recruits

The University of Saskatchewan Administration recreational hockey team is in need of additional players for the upcoming season.

Requirements for playing in the recreational league are simple, according to team rep Trevor Birns. "You have to be 30, work or be faculty on campus and/or Innovation Place."

Birns says the rules are simple and straight forward. "No body contact, no slapshot and we follow CIS rules... for example, no red line."

The U of S Administration hockey team plays Thursday nights, with the first game at 8:30 and the last game starting at 11:00 p.m. "We also play the occasional game on Saturdays, starting at 8:00 a.m. until 8:45 a.m."

The objective of the team is to have fun, states Birns. "Skill level is not a concern, as all are welcome."

For more information or to sign up, contact Trevor Birns at birns@usask.ca .

QCC Technologies reports third-quarter revenues

Despite a turbulent year for the IT sector, QCC Technologies, with offices in Calgary and at Innovation Place, is reporting third-quarter growth.

The company, which provides IT and network engineering and management services, reported third-quarter revenues of \$2.25 million and earnings of \$176,616 before interest, taxes, depreciation and amortization.

In 2000, QCC reported third-quarter earnings of \$143,535, on a revenue base of less than a million dollars.

Company president and CEO David Criddle is anticipating the year 2001 will prove profitable, if the first nine months of the year are any indication. For the nine months ending September 30, QCC reported revenue of \$6.7 million, compared to \$2.8 million for the same time period in 2000.

Criddle says QCC "will enter 2002 well prepared and poised for continued growth."