



## NEWS RELEASE

### **Fytokem Products Inc. Receives \$250,000 in Debt Financing with Agri-Food Equity Fund**

SASKATOON, May 15, 2002 – Fytokem Products Inc. (CDNX: FYT), a leading producer of Function-Certified™ plant-based ingredients, is pleased to announce the securing of \$250,000 in new debt financing with the Government of Saskatchewan.

“We are delighted at this show of confidence by the Government” said Art Hesje, President and CEO. “This investment has provided us with some timely working capital. We have a variety of product trials currently underway with customers around the world and are pleased that these funds along with our growing sales revenue will allow us to continue our product and market development efforts.”

The financing received is in the form of a six-year secured debenture. The debenture bears interest at a fixed rate of 6% plus 6% of the Company’s net income before income taxes, when positive. The first year’s interest has been deferred and added to the principal at the end of the first year. Annual principal payments begin on July 1, 2003 with the last payment due July 1, 2007. The debenture is secured by a general security agreement.

#### **About Fytokem Products Inc.**

Fytokem Products Inc. is a Saskatchewan-based plant sciences company engaged in the discovery, manufacture and marketing of Function-Certified™ plant-based extracts, phytochemicals and bioactive molecules for use in personal care, nutraceutical, pharmaceutical and bio-industrial products. Fytokem’s products are sourced from plants native to the Canadian prairies, where they have developed strong phytochemical properties to survive the harsh climate. These all-natural products are highly potent and are gaining popularity as the market demands more natural products.

Over the past 18 months, the Company secured several international sales and distribution partners and has begun to realize commercial sales of its products. Companies worldwide are beginning to use Fytokem’s products in a variety of personal care and pharmaceutical products. The focus of the company’s research is on the development of plant extracts that can be sold as bioactive ingredients into major markets and further developed as drug candidates.

*The Canadian Venture Exchange has neither approved nor disapproved the information herein contained.*

-30-

For further information:  
Art Hesje, President and CEO,  
Fytokem Products Inc.,  
Tel. (306) 668-2552  
Fax (306) 978-2436,

Email: [ahesje@fytokem.com](mailto:ahesje@fytokem.com)  
[www.fytokem.com](http://www.fytokem.com)