



IMPERIAL GINSENG PRODUCTS LTD.

2011 Annual Report

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ABOUT THE COMPANY

In strategic alliance with its partners in Hong Kong, China and South East Asia, Imperial Ginseng Products Ltd. grows and markets American ginseng.

OUR VISION

To be the world's premier ginseng growing organization and to generate sustainable growth and profitability.

STRATEGIC OBJECTIVES

- Maintain the highest level of integrity and professionalism in all business dealings
- Maximize long-term shareholder value through growth, operating efficiencies and profits
- Lead the industry in horticultural practices
- Create synergy between operating divisions
- Be the lowest cost producer of American ginseng in North America
- Enhance personal and professional development for Imperial's management and employees

FINANCIAL & OPERATING HIGHLIGHTS

YEARS ENDED JUNE 30		2011	2010
Operating results	Revenue	\$ 5,497,000	\$ 5,054,000
	Gross profit	\$ 1,220,000	\$ 1,027,000
	Net income	\$ 399,000	\$ 183,000
Earnings per share	Basic	\$ 0.18	\$ 0.08
	Diluted	\$ 0.09	\$ 0.03
Assets	Total assets	\$ 9,661,000	\$ 8,498,000
Liabilities	Total liabilities	\$ 2,762,000	\$ 1,976,000
Equity	Shareholders' equity	\$ 6,899,000	\$ 6,522,000
Ginseng crop	Acres planted	124	121
	Acres harvested	118	145
	Acres under cultivation	447	441

IMPERIAL GINSENG PRODUCTS LTD.

Management's Discussion and Analysis

Year ended June 30, 2011

This management's discussion and analysis ("MD&A") reviews the operating results, financial position and liquidity, risks and industry trends affecting the financial results of Imperial Ginseng Products Ltd. ("Imperial" or the "Company"). This MD&A should be read in conjunction with the audited consolidated financial statements for the year ended June 30, 2011 and related notes thereto, which are prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). All amounts are stated in Canadian dollars unless otherwise indicated.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Additional information related to the Company is available for view on SEDAR at www.sedar.com or the Company's website at www.imperialginseng.com.

Information contained herein is presented as at October 13, 2011 unless otherwise indicated.

Description of Business

The Company was incorporated under the laws of the province of British Columbia in 1989 and its shares were publicly listed for trading in 1990. Imperial has one wholly owned subsidiary, Canadian Imperial Ginseng Ontario Ltd. The Company cultivates and processes North American ginseng in Ontario and markets the root mainly throughout Asia.

Overall Performance

In 2011, the Company harvested 115 acres of ginseng and produced a total of 299,000 lbs. of root, yielding approximately 2,600 lbs. per acre. This compares to 140 acres harvested and 326,000 lbs. produced and a yield of 2,300 lbs. per acre in 2010. The 8% decrease in root production as a result of harvesting 25 fewer acres this year was partially compensated by a 13% increase in the yield per acre.

Due to a stronger ginseng market in 2010/2011, the Company achieved a higher average selling price than last year. The average selling price in fiscal 2011 was \$19.47 per pound, a 20% increase when compared to \$16.22 per pound in the prior year. In fiscal 2011, the Company reports an increase of 9% or \$443,000 in gross revenue from fiscal 2010 despite a decrease in production. The Company also harvested three acres to meet the demand for fresh root and included the revenue in other income. In 2010, five acres were harvested for fresh root.

At year end 2011 and 2010, the Company retained approximately 10% of its annual harvest for sale in the following year in anticipation of higher prices. The entire inventory was sold subsequent to the year end for both years at prices slightly higher than the prior year's average selling price.

On July 1, 2010, the ginseng marketing agreements previously entered with companies controlled by a director of the Company were mutually terminated and replaced with new distribution agreements (see "Transactions with Related Parties"). Pursuant to the distribution agreements, the Distributors have exclusive right to distribute all the ginseng of the Company provided that the Distributors buy the ginseng at prevailing market prices. As the ginseng is being sold directly to the Distributors, the Company no longer incurs selling costs, specifically, commission charges.

Over the past year, management of the Company took steps to alter the share structure of the Company so that the investors might consider the Company's shares as a more attractive investment. On February 11, 2011, with the requisite approval received from the TSX Venture Exchange and the Company's shareholders, the Company consolidated all its issued and outstanding common shares ("Common Shares") and convertible preference shares, Series "A" ("Convertible Preference Shares"), respectively. Common shares were consolidated on the basis of 10 old shares for one post-consolidation share whereas the Convertible Preference Shares were consolidated on the basis of 20 old shares for one post-consolidation share.

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Selected Annual Information

The following table provides a brief summary of the Company's financial operations. For more detailed information, refer to the annual audited consolidated financial statements. The annual audited consolidated financial statements are prepared in accordance with Canadian GAAP and are measured and reported in Canadian dollars.

(\$ 000 except per share and dividend data)	2011	2010	2009
			(Restated)
Total revenues	5,497	5,054	3,814
Net income (loss)	399	183	(857)
Earnings (loss) per share – basic	0.18	0.08	(0.39)
Earnings (loss) per share – diluted	0.09	0.03	(0.39)
Total assets	9,661	8,498	8,725
Total long-term liabilities	23	1,584	1,110
Cash dividends	Nil	Nil	Nil

As a result of share consolidations in fiscal 2011, the calculation for basic and diluted earnings (loss) per share for comparative years had been adjusted accordingly.

Below is a summary of information not disclosed in the financial statements:

	2011	2010	2009
Number of acres harvested	118	145	167
Average selling price (\$)	19.47	16.22	10.06
Number of pounds produced	299,000	326,000	435,000
Number of acres planted	124	121	108
Number of acres under cultivation	447	441	465

Results of Operations

For the year ended June 30, 2011, the Company reported net income of \$399,000, basic earnings of \$0.18 per share and diluted earnings of \$0.09 per share. This compares to net income of \$183,000, basic earnings of \$0.08 per share and diluted earnings of \$0.03 per share for the year ended June 30, 2010. The increase of \$216,000 in net income from the prior year was primarily due to an increase in gross revenue as a result of an increase in ginseng prices. Despite an increase in revenue in 2011, gross profit margins for both 2011 and 2010 were similar, attributable to an increasing crop costs over the past few years. Gross profit margin was 22% in 2011 and 20% in 2010. Nonetheless, in 2011, total operating and administrative expenses were maintained at levels similar to the prior year.

In 2011, the Company generated gross revenue of \$5,497,000 from the sale of 308,000 lbs. of root and by-product, or 93% of its entire inventory. This compares to gross revenue of \$5,054,000 generated from the sale of 330,000 lbs. or 91% of the inventory in 2010. The increase in gross revenue was due to a 20% increase in the average selling price from 2010. In anticipation of a gradual increase in ginseng prices, the Company did not sell the entire inventory but retained a small amount of root for sale at higher prices in the following fiscal year.

In 2011, the Company reported \$253,000 in other income. This compares to \$302,000 in other income in 2010. The major component of other income were proceeds from the sale of fresh root, which was sold on demand only and therefore not included in gross revenue. In 2011, the Company sold 35,000 lbs. of fresh root for \$199,000. This compares to 37,000 lbs. of fresh root for \$192,000 in 2010. The slight increase in revenue despite a lesser quantity sold in 2011 was due to a 9% increase in the average selling price of fresh root. Also included in other income are rent from subletting the lands that are not suitable for growing ginseng and labour charged for work done for other small farmers. In 2010, the Company sold seed for a net profit of \$86,000 and included this amount in other income. The Company did not sell any seed in 2011.

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During the year ended June 30, 2011, the Company received \$45,000 of contributions from the government under the AgrilInvest program. AgrilInvest is a savings account with matching government contributions which are taxable as investment income only when the fund is withdrawn. During the year ended June 30, 2011, the Company withdrew \$22,500 of the government's portion from the AgrilInvest account.

Total expenses in 2011 were \$1,130,000, \$10,000 less than the total expenses of \$1,140,000 in 2010. The following is a discussion of the major variances in expenses.

Foreign exchange loss

In 2010, the Company reported a \$33,000 loss from foreign exchange when the sales receivable from 2009 was denominated in Hong Kong Dollars. Since then, the Company has had all its sales transacted in Canadian Dollars.

Interest accretion on long-term payable

Interest accretion increased to \$222,000 from \$138,000 due to the additions to long-term payable at year end 2010. Also attributed to the increase is an acceleration of interest expense as the Company plans to settle the full amount of indebtedness before June 30, 2012. Interest accretion is a non-cash expense and increases each year when the unpaid annual asset management fee is discounted and classified to long-term payable.

Interest on bank indebtedness

Interest paid on the credit facility was \$7,000 compared to \$23,000 in 2010 as a smaller balance was carried for a shorter period in 2011. In addition, the Company was able to lower the interest rate when the credit facility was renewed in December, 2010. Prior to the renewal, the interest rate was prime plus 3% per annum. The annual interest rate was reduced to prime plus 1% when the credit facility was renewed.

Marketing

In 2010, marketing expenses included promotional expenses and commission paid for the ginseng brokered. The commission charge in 2010 was \$164,000. In 2011, the Company and the Marketing Companies mutually agreed to terminate the agreements. The Company now sells the ginseng to Distributors at prevailing market prices and no longer pays a commission. As a result, marketing expenses in 2011 decreased significantly to \$7,000 from \$180,000 in 2010 as no commission charge was incurred in 2011.

Administrative, Rent and Salaries

Included in administrative, rent and salaries was an allocation of current year's asset management fee, discounted at an effective interest rate of 12% per annum according to the timing of the installment payments. Given that the Company plans to repay the full outstanding amount before year end 2012, in 2011, the present value of the entire due was adjusted to reflect the changes in the timing of repayment. Although the asset management fee for 2011, before discount, was \$186,000 less than the fee for 2010 due to the expiry of the asset management agreement on January 31, 2011, the acceleration of the repayment date increased the present value of the prior years' outstanding amount. The net effect was an \$80,000 increase in asset management fee expensed in the current year and this was the primary reason for an increase in administrative expenses, rent and salaries. Another reason for the increase in salaries was due to an increase in management bonus of \$18,000 as a result of an increase in yield and the average selling price.

Travel

Travel expense was \$7,000 in 2011 whereas it was a recovery of \$15,000 in 2010 due to a reversal of auto allowance accrued in the prior years.

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Outlook

The Company's financial performance improved in fiscal 2011 from fiscal 2010 as the world ginseng root prices continued to recover from the extremely low levels in the prior years. Ginseng prices had been falling since 2006/2007, and reached a record low of approximately \$10 per pound during the economic turmoil period of 2008/2009. In fiscal 2010, ginseng prices were driven up primarily by the ginseng buyers anticipating a shortage of supply of ginseng. Along with other market and economic factors, this upward price trend continued into fiscal 2011 and the Company was able to achieve selling prices exceeding \$20 per pound for most of its 2011 harvest.

For fiscal 2012, the Company is optimistic that the world ginseng root price will continue a slow upward trend despite the uncertain worldwide political and economic climate. While the economic and political turbulence in some European countries, the fear of recession in the United States, and the instability of the financial markets may have a negative impact on the demand for and the prices of ginseng, the continued decrease in ginseng supply and a steady demand for ginseng as a result of China's strong economic performance are expected to at least stabilize the world ginseng root prices in fiscal 2012. The Company continues to put in extra effort and resources on further improving the yield and the quality of its ginseng root in fiscal 2012. This includes upgrading and modifying farm machinery, replacing the ageing equipment with newer equipment, and purchasing a processing facility to improve efficiency and achieve economies of scale in the future. The Company is planning to diversify its future planting sites to continue to try to increase yields and quality.

In terms of production in the coming year, the Company has fewer acres available for harvest than in fiscal 2011 and therefore, it is expected that the total ginseng production in fiscal 2012 would be approximately 25% less than in fiscal 2011. In anticipation of a decline in revenue in fiscal 2012, the Company held back approximately 22,000 lbs. of ginseng harvested in fiscal 2011. In July, 2011, the Company sold all the inventories at prices that were 18% above prior year's average price.

The Company plans to seed 80 acres in fiscal 2012 and reseed 45 acres of previously seeded one and two-year-old gardens. In the spring of 2011, despite the preventative measures put in by the farm team, approximately 45 acres of the one and two year old gardens were severely damaged by frost and disease and could not be saved. After considering a number of factors, the Company decided not to abandon but to reseed these gardens. The Company anticipates its overall yield in three years will be adversely affected to some extent by these reseeded gardens.

With respect to capital acquisitions in fiscal 2012, the Company has committed to buy and Chai-Na-Ta Corp. ("CNT") has committed to sell a 50-acre property and farm equipment, machinery and vehicles for \$1.85 million, subject to CNT shareholders' approval. The property includes a ginseng drying and processing facility and warehouses. Although the Company is buying substantially all the tangible assets of CNT and CNT will cease operations after the harvest this fall, this transaction does not constitute a business acquisition or combination.

In fiscal 2011, the Company restructured its equity by consolidating the common shares and the convertible preference shares, respectively. The Company plans to further restructure its debt and equity by settling with Trilogy the entire amount of outstanding asset management fee, approximately \$2.4 million, with common shares of the Company in fiscal 2012. Trilogy currently owns approximately 38% of the issued and outstanding common shares of the Company. If this transaction is approved, it is estimated that Trilogy will own approximately 83% of the then total issued and outstanding common shares of the Company (see "Proposed Transaction"). Since the sum owing to Trilogy represents a substantial amount of the total liabilities of the Company, the financial ratios of the Company will be significantly improved after this shares-for-debt settlement.

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Summary of Quarterly Results

The following tables set forth the financial data for the most recent eight quarters. This information is derived from the unaudited interim consolidated financial statements which, in the opinion of the Company's management, have been prepared on a basis consistent with the audited annual consolidated financial statements.

	Total revenues	Income (loss) for the quarter	Earnings (Loss) per share - Basic	Earnings (Loss) per share - Fully Diluted
June 30, 2011	9,000	(165,000)	(0.07)	(0.07)
March 31, 2011	1,107,000	(3,000)	-	-
December 31, 2010	3,785,000	540,000	0.24	0.14
September 30, 2010	596,000	27,000	0.01	-
June 30, 2010	12,000	(114,000)	(0.05)	(0.05)
March 31, 2010	13,000	(205,000)	(0.09)	(0.09)
December 31, 2009	4,742,000	675,000	0.30	0.14
September 30, 2009	287,000	(173,000)	(0.08)	(0.08)

Ginseng is normally harvested in October and November each year. It takes three to four weeks to process the root and it is generally available for sale in November. Most of the root is usually sold in November through January however, the actual timing and volume of the sales each year is highly dependent on economic factors and global supply.

Liquidity

At June 30, 2011, the Company had working capital of \$2.38 million as compared to \$3.52 million at June 30, 2010. The decrease in working capital in 2011 was primarily due to reclassifying the long-term payable to current liabilities. Since the Company plans to settle the long-term payable in 2012 with common shares of the Company, the settlement will not have any impact on the liquidity of the Company. Management also foresees that the Company will generate sufficient cash flows to maintain the current level of operations and will not encounter any working capital deficiency.

In addition to the cash generated from operations, the Company has available a \$1.75 million revolving line of credit from a Canadian chartered bank. The credit facility bears an annual interest rate at prime plus 1% and is collateralized by general security agreements, a charge over all inventory and crops and certain leasehold interest. At June 30, 2011, no amount was drawn on this facility. The credit facility was established for the purpose of meeting the temporary cash flow deficiency during the harvest and the completion of the selling season.

Capital Resources

In 2011, the Company spent \$127,000 on the acquisition of machinery, drying equipment and shades. The purchases were funded with cash from operations.

The Company is currently under contract to purchase a property and farm equipment for \$1.85 million in January, 2012. The Company intends to pay approximately 50% of the purchase price from its operating cash flows and finance the balance. The Company intends to secure financing in the fall of 2011 after careful consideration of all the available options.

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Transactions with Related Parties

Management Companies

Qwest Bancorp Ltd. ("Qwest"), a company related to Imperial by common directors, assisted the Company in restructuring its debt and equity in 1999 and was compensated for the services provided. Related to this, an asset management agreement (the "Agreement") was entered into between Qwest and the Company. Concurrently, Qwest assigned the Agreement to Trilogy Bancorp Ltd. ("Trilogy"), a management company with directors in common. The Agreement expired on January 31, 2011 and all the parties to the Agreement agreed not to renew the Agreement.

Pursuant to the Agreement, Trilogy charged the Company an annual asset management fee calculated as 1.7% of the total book value of the issued and outstanding convertible preference shares. For the year ended June 30, 2011, the Company was charged \$255,000 (2010 - \$442,000) in asset management fee. At June 30, 2011, the total amount of asset management fee outstanding to Trilogy that had been accumulating since 2006 was \$2.40 million. The amount owing was unsecured with interest payable at the rate of 1% per month. Qwest and Trilogy had waived the interest charge up to June 30, 2011. See also "Proposed Transaction".

Trilogy also provides accounting, administrative services and office space to the Company for an annual fee of \$126,000. At June 30, 2011, \$35,000 (2010 - \$nil) was outstanding to Trilogy.

Marketing Agreements

In 2007, the Company entered into ginseng marketing agreements with companies controlled by a director of the Company (the "Marketing Companies"). Pursuant to these agreements, the Marketing Companies agreed to market the Company's ginseng at prices agreed upon by both parties on a best efforts basis. The Company paid the Marketing Companies a fee, as set out in the agreement, for the ginseng sold. On July 1, 2010, the Company and the Marketing Companies mutually agreed to terminate the ginseng marketing agreements prior to the expiry date.

Exclusive Distributor Agreements

On July 1, 2010, the Company entered into distributor agreements with companies controlled by a director of the Company (the "Distributors"). The terms of the agreements provided that the Distributors will buy all the Company's ginseng harvested in a given year at prevailing market prices in return for an exclusive right to distribute the Company's ginseng in Asia and Canada. As the ginseng is sold to the Distributors at agreed prices, the Company does not pay any other fees to or reimburse the Distributors for the distribution of ginseng. For the year ended June 30, 2011, \$5.50 million of ginseng was sold to the Distributors.

Fourth Quarter

Generally, the Company reviews and makes adjustments to the carrying value of crop costs, inventory, investments and property and equipment in the fourth quarter or when there is a change in circumstances. The carrying value of crop costs is written down to net realizable value if the estimated costs to complete the crops exceed the foreseen selling prices. Inventory is written down to its net realizable value if the anticipated selling price is below the inventory value. Investments are written down to fair value if there is a non-temporary decline in value. The value of property and equipment is adjusted for impairment should there be any. At June 30, 2011, the Company had determined that no adjustments to the above would be required.

Proposed Transaction

In September, 2011, the independent directors of the Company formed an independent committee to review, consider and negotiate the proposal of issuing shares of the Company to Trilogy in settlement of an indebtedness of \$2,402,838. If this shares-for-debt settlement proposal is approved by the directors, 6,000,000 common shares of the Company will be issued to Trilogy for the settlement of indebtedness in full. It is anticipated that the settlement will be concluded before June 30, 2012. This shares-for-debt transaction will be subject to approval by the TSX Venture Exchange.

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Critical Accounting Estimates

Accounts receivable

For all accounts receivable other than ginseng sale receivable, they are measured at amortized cost net of any allowance for doubtful accounts. The Company estimates the amount of allowance based on the number of days an account is past due and the debtor's current credit situation. Generally, the Company does not have any trade receivables from ginseng sale as the Company's usual business practice is to collect all the sales proceeds before releasing shipment.

Inventory

The Company's inventory consists of ginseng dried root and it is measured at the lower of costs and net realizable value. Net realizable value is the net of expected selling price and selling costs. Since the Company estimates the future selling price based on the best available current market information, the actual selling price could be materially different.

Ginseng crop costs

The Company measures the ginseng crop costs at the lower of costs and net realizable value. When determining the crop costs, assumptions and judgement are used to allocate the actual annual expenditure to each stage of crops. Net realizable value is the net of the expected selling price and the estimated costs to complete, harvest and sell the crops. When the carrying value of the crops exceeds its net realizable value, an impairment loss is recognized.

Property and equipment

Property and equipment are carried at their original costs and are depreciated to their estimated residual values over their expected life span. The Company estimates that there will be no residual values for all of its assets when they reach the end of their expected life span.

Impairment of long-lived assets

The Company monitors the recoverability of long-lived assets based on its estimates on future asset utilization and business climate. An impairment loss is recognized when the carrying amount of a long-lived asset is not recoverable and exceeds its fair value. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted cash flows expected to result from its use and eventual disposition.

Transition to International Financial Reporting Standards (IFRS)

On January 1, 2011, IFRS replaced Canadian GAAP for publicly-listed companies. The Company will present its first set of IFRS compliant financial statements for the interim and annual financial statements effective July 1, 2011, starting with the first quarter ending September 30, 2011. The Company's transition date to IFRS is July 1, 2010.

At the date of the report, the Company has substantially completed its IFRS conversion project. The following discussion is a summary of identified IFRS standards that have an impact on the Company's financial statements. The summary has been prepared based on the standards currently issued and expected to be effective at the end of the Company's first annual IFRS reporting period, June 30, 2012. As the Company is required to present its first set of IFRS compliant annual financial statements using the accounting policies that are in effect on June 30, 2012, the Company may be adopting new and/or amended standards in addition to the ones discussed below.

IAS 41 - Agriculture

The most significant impact on the Company's financial reporting is the material difference in the valuation of agricultural produce between IFRS and Canada GAAP. Under Canadian GAAP, ginseng crops are regarded as inventory and measured at the lower of costs and net realizable value. Under IFRS and in accordance with IAS 41, ginseng crops are considered biological assets and they are measured at fair value less costs to sell at the end of each reporting period. Generally, fair value is the quoted price in an active market. When market-determined prices are not available, fair value is determined based upon the net present value of expected future net cash flows. When fair value cannot be reliably measured or the estimates are not available, historical cost can be used. Changes in the fair value are recognized in profit or loss in which the changes arise.

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The Company plans to use a combination of these three approaches (cost, discounted future net cash flows and market prices) to account for the valuation of its ginseng crops. The application of the valuation approach will be determined by the maturity of the crops and the timing of harvest. The Company's initial estimate is an increase of approximately \$500,000 in the fair value of its ginseng crops on transition to IFRS.

IAS 16 - Property, Plant and Equipment (PP&E)

Under Canadian GAAP, PP&E is carried at original cost less accumulated depreciation and impairment loss. Under IFRS, an entity can choose either the cost method or the revaluation method to account for each class of PP&E. The Company has elected to continue to use the cost method to account for all classes of PP&E, and will revise the depreciation method if it is uncovered that the estimated remaining useful life of PP&E has changed at each annual reporting date. The Company will also perform an annual impairment test at the cash-generating unit level when assessment on an individual asset basis is not applicable. If the carrying amount of an asset exceeds its recoverable amount, the carrying amount will be reduced to its recoverable amount and an impairment loss will be recognized in profit or loss. The Company did not identify any indication of impairment to its PP&E on its transition date to IFRS.

All the assets in the PP&E category are used in operations. The Company does not have any assets that meet the investment property criteria and need to be reclassified to Investment Property.

IAS 36 - Impairment

Under Canadian GAAP, an asset is tested for impairment using a two-step approach by first determining whether impairment exists by comparing the carrying amount and the undiscounted future cash flows. If the carrying amount exceeds the undiscounted future cash flows, impairment exists and the asset is written down to its fair value. Under IFRS, a one-step approach is used for both testing for and measurement of impairment. An impairment loss is recognized if an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the greater of fair value less cost to sell and value in use (discounted future cash flows). This may potentially result in recognition of impairment under IFRS that is not considered impaired under Canadian GAAP. IFRS also allows reversal of any previous impairment loss, which is prohibited by Canadian GAAP. The Company does not expect the difference in methodology will result in impairment loss on transition date to IFRS.

IAS 37 – Provisions and Contingencies

IAS 37 requires a provision to be recognized if it is probable or more likely than not that there will be an outflow of resources to settle an obligation as a result of a past transaction, and a reliable estimate can be made of the obligation. Under Canadian GAAP, a provision is recognized if the outcomes are likely. Since Canadian GAAP has a lower threshold in identifying contingencies, there may be some contingent liabilities which would meet the recognition criteria under IFRS that were not recognized under Canadian GAAP. Also under IFRS, provisions are discounted if the effect of discounting is material.

The Company did not identify any legal or constructive obligations. Although the Company does not have any contractual obligation to restore the lands before returning them to the landlords after harvest, generally, the Company will clean up the lands out of goodwill. Since the cost involved is minimal and the Company does not consider the clean-up a constructive obligation, no provision will be made for the cost.

IAS 2 - Inventories

Both Canadian GAAP and IFRS require inventories to be carried at the lower of cost and net realizable value. The major difference between Canadian GAAP and IFRS is the measurement of the cost of agriculture inventories harvested from an entity's biological assets. Under Canadian GAAP, the cost of agricultural inventories is generally the expenses incurred on cultivation and harvest. Under IFRS and in accordance with IAS41, a biological asset is measured at its fair value less costs to sell at the point of harvest, and this value becomes the cost of agriculture inventories. As a result, the Company will adjust the cost of its ginseng inventory to its fair value on transition to IFRS.

Upon adoption of IFRS, the Company will continue to use the first-in, first-out method to account for the cost of its inventory. Also under IFRS, if inventories are written down to its net realizable value and subsequently the value increases, the write down will be reversed up to the amount previously written down.

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IAS 17 - Leases

Under IFRS, a lease is classified as either an operating lease or a finance lease. Currently, the Company has two types of leases - land lease and equipment lease. On transition to IFRS, the Company will continue to treat land lease as operating lease as the lease period is generally for five years and the land is returned to the landlord at the end of the lease period. At present, the Company has a piece of leased equipment classified as finance lease and the Company concluded that this classification will not change on transition date to IFRS as the Company has obtained substantially all the risks and rewards incident to the ownership of this equipment. The Company also concluded that the depreciation method and the valuation of this equipment will remain the same on transition to IFRS. There are no other reclassification requirements as substantially all the Company's assets were purchased either with cash from operations or loans from commercial lenders.

IAS 32 - Financial instruments

Financial Assets

Under IFRS, investment in companies which an entity does not have control or significant influence is classified as available-for-sale asset and recorded at fair value if it can be reliably measured even without a quoted price in an active market. Unlike IFRS, these investments must be measured at cost in accordance with Canadian GAAP even if their fair value can be measured reliably. The Company has an investment representing 1% of the voting right in a private company. The cost of investment was \$395,000 and it was written down to \$1 in 2002 due to market decline. The fair value of the investment is approximately \$18,000 based on independent valuations in 2008 and 2011. Being a minority shareholder of this private company, the Company has determined to apply a discount on the fair value of this investment due to a lack of marketability and a lack of control. On transition to IFRS, the Company will record an unrealized gain of approximately \$9,000 in other comprehensive income.

Financial Liabilities and Equity

Under IFRS, an entity must classify its financial instrument as either a liability or equity instrument. An instrument is recognized as a financial liability if it involves a contractual obligation. However, if the contractual obligation may be settled in an entity's equity instrument, it is classified as an equity instrument if the "fixed test" in IAS 32 is met. Since both the Class "A" preference shares and the convertible preference shares of the Company meet the "fixed test" in IAS 32, as concluded below, the equity instrument classification for two classes of shares will remain unchanged upon the adoption of IFRS.

- The number of common shares that would potentially be issued for preferred share conversion is fixed by a conversion price.
- The payment of conversion by way of common shares is not linked to the market value of the common share.
- There is no variable component in the conversion other than a pre-determined fixed annual increment in the conversion price.

IAS 12 - Income Taxes

Under IFRS, deferred tax assets are recognized if it is probable that sufficient future taxable profit will be available. Unlike IFRS, under Canadian GAAP, deferred tax assets are recognized if it is "more likely than not" that the deferred tax assets will be recognized. Currently, the Company has approximately \$10 million of farm loss that is available for reducing taxable income in future years until 2030. As the definition of "probable" is boarder than "more likely than not", farm loss that is not recognized as a deferred tax asset under Canadian GAAP will likely be recognized to a certain extent under IFRS.

In addition to the differences discussed above, for comparative purposes, an entity is required to apply IFRS accounting policies retrospectively at the transition date as if IFRS has always been in effect. For first-time adopters of IFRS, IFRS 1 - *First-time Adoption of IFRS* provides certain optional exemptions and mandatory exceptions for not applying IFRS accounting polices retrospectively. The Company has concluded that it will not apply the optional exemptions available under IFRS 1.

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Risk Management

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk through the variable interest rate charged on the credit facility, which may have an effect on its earnings and cash flows in future periods. The Company does not use derivative instruments to mitigate this risk. The credit facility is renewed annually and is subject to a mutually agreed premium added to the prime rate.

Currency risk

The Company's exposure to currency risk is minimal as the agreements with the Distributors provide that the Distributors will buy all the Company's harvest in a given year in Canadian dollars.

Credit risk

The Company's primary credit risk is its trade receivables. The carrying amount of the trade receivables represents the Company's maximum exposure to credit risk. At June 30, 2011, all the proceeds from the sale of ginseng had been collected. The Company considers all other receivables collectible.

Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its financial obligations when they come due. The Company has in place a planning and budgeting process to help determine the funds required to support the operating requirements and planned capital expenditures on an ongoing basis. The Company ensures that there is sufficient working capital to fund its ongoing operating expenditures through an arrangement with a credit facility.

Outstanding Share Data

Below is the data for issued and outstanding shares at the date of this report:

	Number of shares	Amount \$
Common Shares	2,244,253	29,627,456
Class "A" Preference Shares	36,000	31,197
Convertible Preference Shares	1,262,681	22,141,441

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The management of Imperial Ginseng Products Ltd. is responsible for the preparation and integrity of the financial statements of the Company. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles using management's estimates and judgments when necessary. The financial information contained elsewhere in this Annual Report is consistent with that in the consolidated balance sheets, consolidated statements of operations and comprehensive income, deficit, cash flows and consolidated schedules of ginseng crop costs.

Imperial Ginseng Products Ltd. maintains a system of internal accounting controls designed to provide reasonable assurance that assets are safeguarded against loss or unauthorized use and that financial records are adequate and can be relied upon to produce financial statements in accordance with Canadian generally accepted accounting principles. The concept of reasonable assurance is based on the recognition that the cost of maintaining our system of internal accounting controls should not exceed the benefits derived from the system. The system is supported by written policies and guidelines, and is continuously reviewed.

Grant Thornton LLP, independent auditors, is retained to audit the financial statements of Imperial Ginseng Products Ltd. The audit is conducted in accordance with Canadian generally accepted auditing standards and provides an independent assessment that helps assure fair representation of the Company's financial statements. The auditors' opinion on the financial statements is published separately in this Annual Report.

The Board of Directors, through its Audit Committee, exercises an oversight role in the Company's financial affairs and statements. The Committee meets with management and the independent auditors as required. These meetings include discussions of internal accounting control and the quality of management and financial reporting. The finance department of the Company and the independent auditors have full and free access to the Audit Committee.



Independent auditor's report

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To the shareholders of
Imperial Ginseng Products Ltd.

We have audited the accompanying consolidated financial statements of Imperial Ginseng Products Ltd., which comprise the consolidated balance sheets as at June 30, 2011 and 2010, the consolidated statements of earnings and comprehensive income, deficit and cash flows for the years then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

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An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Imperial Ginseng Products Ltd. as at June 30, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Grant Thornton LLP

Vancouver, Canada

October 13, 2011

Chartered accountants

Imperial Ginseng Products Ltd.
Consolidated Balance Sheets
(Expressed in Canadian Dollars)

As at June 30,	2011	2010
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 2,544,814	\$ 631,443
Accounts receivable	32,816	46,475
Prepaid expenses	2,344	1,875
Inventory	341,460	427,468
Ginseng crop costs	2,200,000	2,800,000
	5,121,434	3,907,261
Ginseng crop costs	3,913,987	3,889,730
Property and equipment (note 4)	625,209	701,011
Investment	1	1
	\$ 9,660,631	\$ 8,498,003
LIABILITIES & SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities (note 3 (a))	\$ 567,424	\$ 366,521
Current portion of obligations under capital leases (note 6)	11,000	3,552
Current portion of loan payable (note 7)	15,281	22,128
Current portion of long-term payable (notes 3 (a) and 8)	2,145,391	-
	2,739,096	392,201
Obligations under capital leases (note 6)	-	10,296
Loan payable (note 7)	22,907	38,195
Long-term payable (notes 3 (a) and 8)	-	1,535,442
	2,762,003	1,976,134
Shareholders' Equity		
Share capital (note 9)	52,348,338	52,366,506
Contributed surplus	657,011	657,011
Deficit	(46,106,721)	(46,501,648)
	6,898,628	6,521,869
	\$ 9,660,631	\$ 8,498,003

Commitments (note 14)
Subsequent events (note 16)

On Behalf of the Board

(signed) "Stephen McCoach"

Stephen McCoach, Director

(signed) "Maurice Levesque"

Maurice Levesque, Director

See accompanying notes to consolidated financial statements.

Imperial Ginseng Products Ltd.
Consolidated Statements of Earnings and Comprehensive Income
(Expressed in Canadian Dollars)

For the years ended June 30,	2011	2010
Revenue	\$ 5,497,324	\$ 5,053,850
Cost of sales	4,277,380	4,026,653
Gross profit	1,219,944	1,027,197
Expenses		
Administrative (note 3 (a))	56,230	41,403
Foreign exchange loss	-	33,082
Interest accretion for long-term payable (note 8)	221,894	137,606
Interest – other	9,739	24,551
Interest on capital leases	1,198	741
Marketing (note 3 (b))	7,263	179,893
Professional	53,319	54,930
Rent (note 3 (a))	103,251	85,705
Salaries (note 3 (a))	669,968	597,145
Travel (recovery)	6,788	(14,877)
	1,129,650	1,140,179
Income (loss) before undernoted	90,294	(112,982)
Other items		
Government program payments	45,000	5,974
Gain on disposition of property and equipment	3,500	-
Interest income	7,380	-
Other income	253,073	302,299
Other expenses	-	(12,500)
	308,953	295,773
Net income and comprehensive income	\$ 399,247	\$ 182,791
Earnings per share (note 10):		
Basic	\$ 0.18	\$ 0.08
Diluted	0.09	0.03

See accompanying notes to consolidated financial statements.

Imperial Ginseng Products Ltd.
Consolidated Statements of Deficit
(Expressed in Canadian Dollars)

For the years ended June 30,	2011	2010
Balance, beginning of the year	\$ (46,501,648)	\$ (46,676,994)
Net income	399,247	182,791
Class "A" Preference share dividends (notes 9 (b) and (d))	(4,320)	(7,445)
Balance, end of the year	\$ (46,106,721)	\$ (46,501,648)

See accompanying notes to consolidated financial statements.

Imperial Ginseng Products Ltd.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

For the years ended June 30,	2011	2010
Cash flows from operating activities		
Net income for the year	\$ 399,247	\$ 182,791
Adjustments to reconcile net income to cash provided by (used in) operating activities:		
Amortization and depreciation	28,359	35,302
Interest accretion	221,894	137,606
Gain on disposition of assets	(3,500)	-
Cost of ginseng crops harvested	3,759,043	3,729,577
Changes in non-cash working capital:		
Ginseng crop costs, net of deferred depreciation and amortization of \$155,717 (2010 - \$159,138)	(3,027,583)	(3,003,834)
Accounts receivable	13,659	329,095
Prepaid expenses	(469)	1,946
Inventory	86,008	(139,670)
Accounts payable and accrued liabilities	200,903	(69,372)
Long-term payable	388,055	308,794
	2,065,616	1,512,235
Cash flows from financing activities		
Bank indebtedness	-	(825,000)
Advancement of loan	-	57,701
Repayment of loan	(22,135)	(16,293)
Payments of capital lease obligations	(2,848)	(3,386)
Share issue cost	(22,488)	-
	(47,471)	(786,978)
Cash flows from investing activities		
Acquisition of property and equipment	(126,622)	(150,097)
Proceeds from disposition of property and equipment	21,848	19,444
	(104,774)	(130,653)
Net increase in cash and cash equivalents	1,913,371	594,604
Cash and cash equivalents, beginning of year	631,443	36,839
Cash and cash equivalents, end of year	\$ 2,544,814	\$ 631,443
Non-cash investing and financing activities not included in cash flows:		
Preference shares and accrued dividends converted to common shares (notes 9 (a) and (c))	\$ 357,448	\$ 254,811
Dividends accrued on Class "A" preference shares	4,320	7,445
Supplemental cash flow information:		
Interest paid	\$ 10,982	\$ 24,949
Capital taxes paid	156	2,951

See accompanying notes to consolidated financial statements.

Imperial Ginseng Products Ltd.

Notes to Consolidated Financial Statements

(Expressed in Canadian Dollars)

Years Ended June 30, 2011 and 2010

1. Nature of operations

Imperial Ginseng Products Ltd. (the "Company") is incorporated under the Business Corporations Act (British Columbia). The Company cultivates and processes ginseng in Ontario and sells ginseng to Asia and Canada through distributors. The revenue of the Company is derived entirely from ginseng sales.

2. Significant accounting policies

(a) Basis of presentation

These consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The consolidated financial statements include the accounts of the Company and Canadian Imperial Ginseng Ontario Ltd. ("CIGO"), a subsidiary wholly owned by the Company.

(b) Use of estimates and measurement uncertainty

The preparation of consolidated 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 consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of the recoverability of the carrying value of ginseng crops when performing an impairment test using the expected cash flow technique, allowance for doubtful accounts, write-down of inventory, useful life of property and equipment, valuation allowance on income tax losses and the interest rate applicable for discounting long-term payables. Actual results could differ from those estimates. By this nature, these estimates are subject to measurement uncertainty and the impact on the consolidated financial statements of future periods could be material.

(c) International Financial Reporting Standards

International Financial Reporting Standards (IFRS) replaced Canadian GAAP for publicly-listed companies for fiscal years beginning on or after January 1, 2011. Accordingly, the consolidated financial statements of the Company for the quarter ended September 30, 2011 will be prepared in accordance with IFRS. For comparative purposes, the adoption of IFRS on July 1, 2011 requires a restatement of amounts reported by the Company for the year ended June 30, 2011.

(d) Foreign currency translation

The Canadian dollar is the functional currency of the Company. Transactions recorded in foreign currencies have been translated into Canadian dollars as follows: monetary assets and liabilities at the rate in effect at the balance sheet date; non-monetary items, revenue and expenses at the rates of exchange prevailing on the dates of the transactions. Gains or losses arising on translation are included in the consolidated statements of earnings.

(e) Financial instruments

Financial assets are classified into one of the following four categories at initial recognition:

- (i) Held for trading
- (ii) Held-to-maturity
- (iii) Available-for-sale
- (iv) Loans and receivables

Imperial Ginseng Products Ltd. Notes to Consolidated Financial Statements

(Expressed in Canadian Dollars)

Years Ended June 30, 2011 and 2010

2. Significant accounting policies (continued)

(e) Financial instruments (continued)

Financial liabilities are classified into one of the following categories at initial recognition:

- (i) Held for trading
- (ii) Other financial liabilities

Financial assets and financial liabilities held for trading are measured at fair value with gains or losses included in earnings for the year. Available-for-sale financial assets are measured at fair value with unrealized gains or losses excluded from earnings and reported as other comprehensive income or loss. Loans and receivables, held-to-maturity financial assets and other financial liabilities are measured at amortized cost using the effective interest method with periodic accretion or amortization included in earnings for the year.

(f) Cash and cash equivalents

Cash and cash equivalents include highly liquid investments that are readily convertible to known amounts within three months of purchase.

(g) Inventory

Inventory is valued at the lower of cost and net realizable value, with cost being accounted for using the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated expenses necessary to make the sale.

(h) Investments

Investments in equity instruments, other than investments in subsidiary, are classified as available-for-sale and measured at cost as they do not have quoted market price in an active market. Management reviews the carrying value of investments and if there is an other-than-temporary decline in value, these investments are written down to their estimated fair values.

(i) Ginseng crop costs

Ginseng crop costs are recorded at the lower of cost (determined using the full absorption cost method, including direct costs incurred for the acquisition, planting and maintenance of the ginseng crops) and net realizable value. Direct costs include seed, labor, chemicals and supplies, depreciation and amortization, and land rental. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to complete the crops and sale. Ginseng crop costs are charged to cost of sales based on a proportionate allocation of costs incurred on a per acre basis from planting to harvest for the related acres harvested. Costs accumulated on the acres expected to be harvested during the next fiscal year have been classified as a current asset. Management reviews the underlying value of crop costs on an ongoing basis by reference to management's best estimate of expected future ginseng selling price, yield and costs to harvest. Impairment loss is recognized and is measured as the amount by which the carrying value of the ginseng crop costs exceeds its net realizable value.

Imperial Ginseng Products Ltd. Notes to Consolidated Financial Statements

(Expressed in Canadian Dollars)
Years Ended June 30, 2011 and 2010

2. Significant accounting policies (continued)

(j) Property and equipment

Property and equipment are stated at cost less accumulated amortization and are amortized on a straight-line basis over the following periods:

Buildings	10 years
Farming equipment	7 years
Equipment under capital leases	7 years
Office and laboratory equipment	5 years
Processing equipment	Unit of production
Shadehousing and irrigation	10 years

(k) Revenue recognition

The Company harvests ginseng in October and November and processes its ginseng in its Ontario facility. The timing of sales varies each year but generally a majority of the ginseng is sold in December and January following the harvest. The Company recognizes the sales revenue when the title of the ginseng is transferred and the collection of sales proceeds is reasonably assured.

(l) Government program payments

Government programs, such as AgriStability and AgriInvest, are designed to provide financial assistance to agricultural growers. Entitlement to payment from the AgriStability program depends on a number of factors such as market conditions which are not controllable by the agricultural growers. The Company includes payments from the government programs in income when they are received.

(m) Impairment of long-lived assets

The Company monitors the recoverability of long-lived assets, including property and equipment, based upon estimates using factors such as future asset utilization and business climate. An impairment loss is recognized when the carrying amount of a long-lived asset is not recoverable and exceeds its fair value. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted cash flows expected to result from its use and eventual disposition. This assessment is based on the carrying amount of the asset at the date it is tested for recoverability, whether it is in use or under development. Long-lived assets are written down to their fair value in the year when it is determined that the carrying amount of the asset will not be recovered.

(n) Stock-based compensation

The Company has a stock-based compensation plan which is disclosed in Note 9 (e). The Company adopted the recommendations of Canadian Institute of Chartered Accountants ("CICA") with respect to stock-based compensation and other stock-based payments which require the use of a fair value based method in accounting for stock-based compensation. The fair value of options that is usually estimated at the date of grant is amortized over the vesting period, with the offsetting credit recorded as an increase in contributed surplus. If the stock options are exercised, the proceeds are credited to share capital and their fair value at the date of grant is reclassified from contributed surplus to share capital.

Imperial Ginseng Products Ltd.

Notes to Consolidated Financial Statements

(Expressed in Canadian Dollars)

Years Ended June 30, 2011 and 2010

2. Significant accounting policies (continued)

(o) Income taxes

Income taxes are accounted for under the liability method. Future income tax assets and liabilities are recognized for the future tax consequences attributable to (i) differences between the financial statement carrying amounts of existing assets, liabilities and their respective tax bases and (ii) operating loss. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled and the losses utilized. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is recognized to the extent that the recoverability of the future income tax assets is not more likely than not.

(p) Other income

Revenues generated from those activities that are outside the Company's normal course of business are treated as other income. The Company's principal business activities are cultivating, processing and distributing dried ginseng through distributors. Occasional sale of fresh ginseng and seeds is not considered within the Company's main scope of business and therefore, it is included in other income.

(q) Earnings per share

Earnings per share is calculated using the weighted average number of common shares outstanding during each period. Diluted earnings per share is calculated using the treasury stock method under which all options whose average price is less than or equal to the average share price for the year are assumed to be exercised and all convertible securities are converted at the average share price during the period, and that the Company will use the proceeds to purchase its common shares at the average market price during the period. The purchased shares reduce the number of shares issued upon exercise of the options and this net number of shares is included in the denominator when calculating diluted earnings per share. Diluted amounts are not presented when the effect of the computations is anti-dilutive due to the loss incurred. Accordingly, there would be no difference in the amounts presented for basic and diluted loss per share.

3. Related party balances and transactions

Transactions with related parties are recorded at exchange amount, being the amount agreed to by the transacting parties.

(a) Management company transactions

For the years ended June 30, 2011 and 2010, the Company was charged for services by companies owned and controlled by certain directors of the Company (the "Management Companies"), as follows:

	2011	2010
Salaries	\$ 291,042	\$ 231,595
Rent	65,969	52,495
Administrative services	31,044	24,704
Ginseng crop costs – administrative	31,500	31,500
Ginseng crop costs – direct labour	94,500	94,500
	\$ 514,055	\$ 434,794

Imperial Ginseng Products Ltd.

Notes to Consolidated Financial Statements

(Expressed in Canadian Dollars)

Years Ended June 30, 2011 and 2010

3. Related party balances and transactions (continued)

(a) Management company transactions (continued)

Pursuant to an administrative agreement with the Management Companies, the Company pays a monthly fee of \$10,500 for accounting and administrative services provided by the Management Companies. This administrative fee is allocated to ginseng crop costs. Included in accounts payable is \$35,280 (2010 - \$nil) of administrative fee outstanding to the Management Companies at June 30, 2011.

The Company and the Management Companies had an asset management agreement (the "Asset Management Agreement") under which the Management Companies charged the Company an annual asset management fee of 1.7% of the total book value of the issued and outstanding preference shares. The fee was calculated and paid monthly in arrears. The Asset Management Agreement expired on January 31, 2011 and both the Company and the Management Companies agreed not to renew it. The Company was charged asset management fee to January 31, 2011. For the year ended June 30, 2011, the Company incurred \$254,859 (2010 - \$441,663) in asset management fee and this amount was added to long-term payable at June 30, 2011. Asset management fee for the current year was discounted to \$227,553 (2010 - \$280,685) before allocating to salaries, rent and administrative services.

At June 30, 2011, the total amount of asset management fee outstanding to the Management Companies that had been accumulating since 2006 was \$2,402,838 (2010 - \$2,147,979). The amount owing to the Management Companies was unsecured with interest payable at the rate of 1% per month. Management Companies had waived the interest charge up to June 30, 2011. Prior to the expiry of the Asset Management Agreement, the Management Companies agreed to accept payment by annual installments with the first installment due on July 1, 2012. As such, since 2007, the Company discounted each annual outstanding amount at effective interest rate before adding it to long-term payable (note 8). Upon expiry of the Asset Management Agreement, the Company and the Management Companies are negotiating the settlement of the outstanding asset management fee in full with common shares of the Company to be issued from Treasury. It is anticipated that the settlement will be concluded before June 30, 2012 (the "Proposed Shares-for-Debt Settlement"). Accordingly, the full amount of long-term payable was reclassified to current liabilities at June 30, 2011. The Proposed Shares-for-Debt Settlement will require approval from the regulatory authorities. See also note 16 (a).

(b) Marketing services

In 2007, the Company entered into ginseng marketing agreements with companies controlled by a director of the Company (the "Marketing Companies"). Pursuant to these agreements, the Marketing Companies agreed to market the Company's ginseng at prices agreed upon by both parties on a best efforts basis. The Company paid the Marketing Companies a fee, as set out in the agreement, for the ginseng sold. For the year ended June 30, 2010, the Company was charged \$0.50 for each pound of ginseng sold for a total of \$164,445.

On July 1, 2010, the Company and the Marketing Companies mutually agreed to terminate the ginseng marketing agreements. No amounts were payable to the Marketing Companies during the year ended June 30, 2011 upon termination of the agreements.

Imperial Ginseng Products Ltd.
Notes to Consolidated Financial Statements

(Expressed in Canadian Dollars)

Years Ended June 30, 2011 and 2010

3. Related party balances and transactions (continued)

(c) Distributor services

On July 1, 2010, the Company entered into distributor agreements with companies controlled by a director of the Company (the "Distributors"). The terms of the agreements provided that the Distributors will buy all the Company's ginseng harvested in a given year at prevailing market prices in return for an exclusive right to distribute the Company's ginseng in Asia and Canada. As the ginseng is sold to the Distributors at agreed prices, the Company does not pay any other fees to or reimburse the Distributors for the distribution of ginseng. For the year ended June 30, 2011, the Company had sales transactions totaling \$5,495,449 with the Distributors.

4. Property and equipment

As at June 30, 2011			
	Cost	Accumulated Depreciation	Net Book Value
Buildings	\$ 144,365	\$ 83,189	\$ 61,176
Farming equipment	1,231,433	1,097,793	133,640
Equipment under capital lease	27,600	16,428	11,172
Office and laboratory equipment	21,662	16,696	4,966
Processing equipment	516,494	409,438	107,056
Shadehousing and irrigation	2,689,846	2,382,647	307,199
	\$ 4,631,400	\$ 4,006,191	\$ 625,209

As at June 30, 2010			
	Cost	Accumulated Depreciation	Net Book Value
Buildings	\$ 144,365	\$ 69,687	\$ 74,678
Farming equipment	1,194,631	1,072,946	121,685
Equipment under capital lease	27,600	12,486	15,114
Office and laboratory equipment	18,038	14,916	3,122
Processing equipment	482,879	381,929	100,950
Shadehousing and irrigation	2,664,113	2,278,651	385,462
	\$ 4,531,626	\$ 3,830,615	\$ 701,011

5. Bank indebtedness

CIGO has a revolving credit facility of \$1,750,000 with a Canadian chartered bank. The credit facility is renewed annually and collateralized by general security agreements, a charge over all inventories and certain leasehold interest. Prior to the annual renewal, interest rate on the credit facility was prime plus 3% per annum. In December 2010, the credit facility was renewed at an interest rate of prime plus 1% per annum. At June 30, 2011, no amount was drawn on this facility (June 30, 2010 - \$nil).

Imperial Ginseng Products Ltd.
Notes to Consolidated Financial Statements

(Expressed in Canadian Dollars)
 Years Ended June 30, 2011 and 2010

6. Obligations under capital leases

Future minimum lease payments under capital leases are as follows:

As at June 30,	2011	2010
2011	\$ -	\$ 4,046
2012	11,000	11,000
Total future minimum lease payments	11,000	15,046
Less interest portion at effective rate of 3.90%	-	1,198
Principal balance	11,000	13,848
Less current portion	11,000	3,552
Long-term portion	\$ -	\$ 10,296

7. Loan payable

The Company financed certain equipment and vehicle purchases via collateral loans at interest rates ranging from prime plus 1.4% to a fixed rate of 6.99% for terms of three to five years. Each loan is secured by the equipment against which it is borrowed.

Future minimum principal and interest blended payments are as follows:

As at June 30,	2011	2010
2011	\$ -	\$ 24,930
2012	17,229	17,123
2013	12,873	12,958
2014	6,777	6,777
2015	5,082	5,082
Total future minimum principal and interest blended	41,961	66,870
Less interest portion	3,773	6,547
Principal balance	38,188	60,323
Less current portion	15,281	22,128
Long-term portion	\$ 22,907	\$ 38,195

Imperial Ginseng Products Ltd. Notes to Consolidated Financial Statements

(Expressed in Canadian Dollars)

Years Ended June 30, 2011 and 2010

8. Long-term payable

The outstanding asset management fee was classified in past years as a long-term payable (note 3 (a)) and was recorded at amortized cost discounted at 12% using the effective interest method. Details of the payable are as follows:

As at June 30,	2011	2010
Balance, beginning of year	\$ 1,535,442	\$ 1,089,042
Asset management fee for the year	254,859	441,663
Discount on fee incurred during the year	(27,306)	(160,978)
Adjustment for changes in timing of payment	160,502	28,109
Add: interest accretion for the year	221,894	137,606
Total	2,145,391	1,535,442
Less current portion	2,145,391	-
Long-term portion	\$ -	\$ 1,535,442

See note 16 (a).

9. Share capital

During the year ended June 30, 2011, the Company completed a consolidation of its common share class and convertible preference share class (together the "Consolidations"). All issued and outstanding common shares were consolidated on the basis of ten pre-consolidation shares for one post-consolidation share. All issued and outstanding convertible preference shares were consolidated on the basis of twenty pre-consolidation shares for one post-consolidation share. Upon implementation of Consolidations on February 11, 2011, there were 2,237,458 common shares and 1,272,806 convertible preference shares issued and outstanding. All comparative references to the number of issued and outstanding shares, basic and diluted earnings per share and weighted average number of shares have been retrospectively applied to reflect the Consolidations.

Authorized:

10,000,000	Common shares without par value
50,000,000	Class "A" preference shares with a par value of \$1 each
2,500,000	Convertible preference shares without par value

As at June 30,	2011	2010
Issued and outstanding amount:		
Common shares (a)	\$ 29,485,422	\$ 29,138,494
Class "A" preference shares (b)	31,197	31,197
Convertible preference shares (c)	22,272,955	22,642,371
Unpaid dividends and royalties (d)	558,764	554,444
	\$ 52,348,338	\$ 52,366,506

Imperial Ginseng Products Ltd.
Notes to Consolidated Financial Statements

(Expressed in Canadian Dollars)
 Years Ended June 30, 2011 and 2010

9. Share capital (continued)

(a) Common shares

	Number of shares		Amount
Balance, June 30, 2009	2,215,337	\$	28,883,683
Converted from convertible preference shares	7,291		175,885
Converted from Class "A" preference shares and dividends	1,912		78,926
Balance, June 30, 2010	2,224,540		29,138,494
Converted from convertible preference shares	14,713		357,448
Share issue cost	-		(10,520)
Balance, June 30, 2011	2,239,253	\$	29,485,422

(b) Class "A" preference shares

	Number of shares		Amount
Balance, June 30, 2009	71,421	\$	61,893
Converted to common shares	(35,421)		(30,696)
Balance, June 30, 2011 and 2010	36,000	\$	31,197

The Class "A" preference shares are non-voting and are entitled to receive cumulative dividends at 12% per annum. The preference shareholders have the right to convert their preference shares to common shares of the Company with conversion price increasing at a rate of \$0.25 on January 31 of each year. On January 31, 2011, the conversion price for one common share was \$4.53. Upon the Consolidations, the conversion price for one common share and the annual conversion price increment were adjusted proportionally to \$45.30 and \$2.50, respectively.

In addition to the conversion option, the preference shareholders also have an option, subject to certain restrictions and penalties, to retract in each year a maximum of 25% of the balance of preference shares originally issued. The Company may, at its sole option, honor retraction requests through the issuance of common shares based upon the market value of such shares at that time. There were no conversions or retractions during the year ended June 30, 2011 (June 30, 2010 – 35,421 Class "A" preference shares converted to common shares).

(c) Convertible preference shares

	Number of shares		Amount
Balance, June 30, 2009	1,300,581	\$	22,818,256
Converted to common shares	(10,025)		(175,885)
Balance, June 30, 2010	1,290,556		22,642,371
Converted to common shares	(20,375)		(357,448)
Share issue cost	-		(11,968)
Balance, June 30, 2011	1,270,181	\$	22,272,955

Imperial Ginseng Products Ltd. Notes to Consolidated Financial Statements

(Expressed in Canadian Dollars)

Years Ended June 30, 2011 and 2010

9. Share capital (continued)

(c) Convertible preference shares (continued)

The convertible preference shares are non-voting with a non-cumulative dividend rate of 12%. Prior to Consolidations, the shares are convertible into common shares of the Company at a price that is subject to a \$0.25 increment on January 31 of each year. On January 31, 2011, the conversion price for one common share was \$3.00. Upon the Consolidations, the conversion price for one common share and the annual conversion price increment were adjusted proportionally to \$1.50 and \$0.125, respectively. No dividends were paid in 2011 and 2010.

(d) Unpaid dividends and royalties

	Amount
Balance, June 30, 2009	\$ 590,504
Cumulative dividends on Class "A" preference shares	7,445
Dividends converted to common shares	(43,505)
Balance, June 30, 2010	554,444
Cumulative dividends on Class "A" preference shares	4,320
Balance, June 30, 2011	\$ 558,764

The cumulative dividends on the Company's Class "A" preference shares that are unpaid at year-end have been accrued as a component of shareholders' equity as the Company can pay these dividends at its sole discretion with common shares. During the year ended June 30, 2010, unpaid dividends of \$43,505 accrued on 35,421 Class "A" preference shares were paid in common shares at the same conversion price upon which these Class "A" preference shares were converted to common shares. No unpaid dividends were converted to common shares during the year ended June 30, 2011.

The unpaid royalty amount related to the royalty participation units has also been accrued as a component of shareholders' equity as the Company can pay these royalties at its sole discretion with common shares based upon the market value of such shares at that time.

(e) Stock options

Under the Company's stock option plan (the "Plan"), the Company is authorized to issue up to 248,216 common shares. Since the Plan was approved in 2002, a total of 17,500 options had been exercised. All the expired and unexercised options were returned to the Plan. There were no options outstanding at June 30, 2011 and 2010. At June 30, 2011 and 2010, 230,716 options were available for grant under the Plan.

Imperial Ginseng Products Ltd.
Notes to Consolidated Financial Statements

(Expressed in Canadian Dollars)
 Years Ended June 30, 2011 and 2010

10. Basic and diluted earnings per share

The following table summarizes the calculation of basic and diluted earnings per share for the years ended June 30:

	2011	2010
Net income	\$ 399,247	\$ 182,791
Preference share dividends	(4,320)	(7,445)
	\$ 394,927	\$ 175,346
Weighted average number of shares outstanding	2,232,997	2,216,988
Earnings per share - basic	\$ 0.18	\$ 0.08
Weighted average number of shares outstanding	2,232,997	2,216,988
Effect of common share equivalents	2,206,239	3,485,912
	4,439,236	5,702,900
Earnings per share - diluted	\$ 0.09	\$ 0.03

11. Future income taxes

- (a) The provision for income taxes differs from the amount that would have been expected by applying the combined federal, British Columbia and Ontario corporate income tax rate to the loss before taxes. The principal differences are as follows:

For the years ended June 30,	2011	2010
Net income	\$ 399,247	\$ 182,791
Statutory income tax rate	27%	29%
Computed expected income tax expense	108,000	53,000
Increase (decrease) in income taxes resulting from:		
Effect of change in tax rate	248,000	-
Expiry of non-capital loss carryforward	378,000	266,000
Permanent difference	122,000	-
Change in valuation allowance	(856,000)	(319,000)
	\$ -	\$ -

Imperial Ginseng Products Ltd.
Notes to Consolidated Financial Statements

(Expressed in Canadian Dollars)
 Years Ended June 30, 2011 and 2010

11. Future income taxes

(b) Future income taxes include the following tax assets (liabilities):

As at June 30,	2011	2010
Deferred crop cost	\$ (1,590,000)	\$ (1,873,000)
Farming and non-capital loss carry-forwards	3,149,000	4,205,000
Property and equipment	744,000	968,000
Cumulative eligible capital	254,000	274,000
Other	53,000	(103,000)
Share issue cost	5,000	-
Capital leases	3,000	3,000
Valuation allowance	(2,618,000)	(3,474,000)
	1,590,000	1,873,000
Future income taxes	\$ -	\$ -

The potential future tax benefits that may be derived from farming and non-capital losses and expenditures have been offset by a valuation allowance because it is uncertain that sufficient taxable income will be earned to realize the benefits before their expiration.

(c) Loss carried forward

At June 30, 2011, the Company had accumulated the following losses available for reducing taxable income in the future years:

Losses expiring in	Farm losses	Non-capital losses	Total
2013	\$ 167,000	\$ -	\$ 167,000
2014	1,166,000	-	1,166,000
2015	-	182,000	182,000
2026	-	336,000	336,000
2028	5,549,000	42,000	5,591,000
2029	-	912,000	912,000
2030	2,814,000	653,000	3,467,000
2031	-	292,000	292,000
Total	\$ 9,696,000	\$ 2,417,000	\$ 12,113,000

Imperial Ginseng Products Ltd.

Notes to Consolidated Financial Statements

(Expressed in Canadian Dollars)

Years Ended June 30, 2011 and 2010

12. Capital disclosures

The Company's main objective in managing its capital is to safeguard its ability to continue operations. The Company considers its capital structure to include a revolving credit facility, long-term payable and shareholders' equity. In respect of its credit facility, the Company provides covenants to the credit facility as to the source of funds for any payment of preference share sales commissions or preference share dividends. As at June 30, 2011, the Company was in compliance with the covenants. The Company is not subject to any financial covenant relating to its long-term payable. There were no changes in the Company's approach to capital management during the year. The Company's capital includes the following:

As at June 30,	2011	2010
Long-term payable	\$ 2,145,391	\$ 1,535,442
Shareholders' equity	6,898,628	6,521,869
	\$ 9,044,019	\$ 8,057,311

13. Financial instruments

Classification of financial assets and liabilities

The Company has classified its financial assets and liabilities as follows: Cash and cash equivalents as held-for-trading; accounts receivable as loans and receivables; investment as available-for-sale; accounts payable and accrued liabilities, loan payable and long-term payable as other financial liabilities.

The carrying values of cash and cash equivalents, accounts receivable, accounts payables and accrued liabilities approximate fair values due to their short-term maturities. Loan payable is interest bearing and recorded at its carrying value. Long-term payable is recorded at amortized cost using the effective interest rate of 12%.

Fair value measurement

CICA Handbook Section 3862 "Financial Instruments – Disclosures" requires disclosure of a three-level hierarchy for fair value measurements based upon transparency of inputs to the valuation of financial instruments carried on the balance sheet at fair value. The fair value hierarchy that reflects the significance of inputs used in making fair value measurements is as follows:

Level 1 - Inputs available in published price quotations in an active market.

Level 2 - Inputs other than prices from observable current market transactions.

Level 3 - Inputs that are not based on available observable market data.

The levels in the fair value hierarchy under which the Company's financial instruments are measured and recognized in the consolidated balance sheets are as follows:

As at June 30, 2011	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 2,544,814	\$ -	\$ -
Investment	-	-	1

Imperial Ginseng Products Ltd.
Notes to Consolidated Financial Statements

(Expressed in Canadian Dollars)

Years Ended June 30, 2011 and 2010

13. Financial instruments (continued)

Fair value measurement (continued)

As at June 30, 2010	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 631,443	\$ -	\$ -
Investment	-	-	1

Fair value disclosures

Carrying value and fair value of financial assets and liabilities at June 30, 2011 and 2010 are summarized as follows:

	2011		2010	
	Carrying value	Fair value	Carrying value	Fair value
Held-for-trading	\$ 2,544,814	\$ 2,544,814	\$ 631,443	\$ 631,443
Loans and receivables	32,816	32,816	46,475	46,475
Available-for-sale	1	1	1	1
Other financial liabilities	2,751,003	2,751,003	1,962,286	1,962,286

Credit risk

The Company's primary credit risk is its accounts receivable. The carrying amounts of accounts receivable represent the Company's maximum exposure to credit risk. The Company considers all its accounts receivable collectible. Within accounts receivable, the Company did not have any sales receivables at June 30, 2011 (2010 - \$nil).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk through the variable interest rate charged on the credit facility, which may have an effect on its earnings and cash flows in future periods. The Company does not use derivative instruments to mitigate this risk. Under the credit facility agreement, the credit facility is renewed annually and is subject to a mutually agreed premium added to the prime rate (note 5). As the Company did not have an amount outstanding on the credit facility on June 30, 2011 and 2010, a change in the interest rate would not have any impact on the Company.

Currency risk

The Company's exposure to currency risk is minimal as the agreements with the Distributors provide that the Distributors will buy all the Company's harvest in a given year in Canadian dollars.

Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its financial obligations when they come due. The Company has in place a planning and budgeting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its planned capital expenditures. The Company ensures that there is sufficient working capital for its ongoing operating expenditures through an arrangement with a credit facility. At June 30, 2011, the Company had a working capital surplus of \$2.38 million (2010 - \$3.52 million).

Imperial Ginseng Products Ltd.
Notes to Consolidated Financial Statements

(Expressed in Canadian Dollars)
 Years Ended June 30, 2011 and 2010

13. Financial instruments (continued)

Liquidity risk (continued)

The table below provides a summary of contractual obligations and payments related to financial liabilities due as at June 30, 2011 and 2010. The amounts disclosed are the contractual undiscounted cash flows.

As at June 30, 2011	2012	2013	2014 and thereafter	Total
Accounts payable and accrued liabilities	\$ 567,424	\$ -	\$ -	\$ 567,424
Capital leases	11,000	-	-	11,000
Loan payable	17,229	12,873	11,859	41,961
Long-term payable	2,402,838	-	-	2,402,838
	\$ 2,998,491	\$ 12,873	\$ 11,859	\$ 3,023,223

As at June 30, 2010	2011	2012	2013 and thereafter	Total
Accounts payable and accrued liabilities	\$ 366,521	\$ -	\$ -	\$ 366,521
Capital leases	4,046	11,000	-	15,046
Loan payable	24,930	17,123	24,817	66,870
Long-term payable	-	-	2,147,979	2,147,979
	\$ 395,497	\$ 28,123	\$ 2,172,796	\$ 2,596,416

14. Commitments

Future minimum payments for the next five years under land leases as at June 30, 2011 and 2010 are as follows:

	2011	2010
2011	\$ -	\$ 327,000
2012	310,000	282,000
2013	287,000	251,000
2014	231,000	195,000
2015	147,000	158,000
2016	59,000	-
	\$ 1,034,000	\$ 1,213,000

Imperial Ginseng Products Ltd.

Notes to Consolidated Financial Statements

(Expressed in Canadian Dollars)

Years Ended June 30, 2011 and 2010

15. Segmented information

(a) Geographic information

The Company operates in one single industry segment, being cultivating and selling ginseng. All the assets of the Company are located in Canada. All sales transactions are with Distributors located in Canada (note 3 (c)). During the year ended June 30, 2011, sales transactions with the Distributors amounted to \$5,495,449.

Prior to July 1, 2010, the Company sold ginseng directly to customers in Asia and Canada. For the year ended June 30, 2010, sales were \$3,343,420 to customers in Asia and \$1,710,430 to customers in Canada.

(b) Major customers

Effective July 1, 2010, all ginseng of the Company is sold to the Distributors who have an exclusive right to distribute the Company's ginseng in Asia and Canada, provided that the Distributors buy all the ginseng at prevailing market prices (note 3 (c)). The end-buyers of the ginseng are not made known to the Company.

Prior to July 1, 2010, the Company hired Marketing Companies to broker the root. For the year ended June 30, 2010, sales to four customers, each of which accounted for more than ten percent of the total revenue, were \$4.30 million, or approximately 85% of the total revenue.

16. Subsequent events

(a) Settlement of long-term payable

In September, 2011, the independent directors of the Company formed an independent committee to review, consider and negotiate the Proposed Shares-for-Debt Settlement (note 3 (a)). If the Proposed Shares-for-Debt Settlement is approved by the Board of Directors, 6,000,000 common shares of the Company will be issued to Trilogy in full settlement of an indebtedness of \$2,402,838. The Shares-for-Debt Settlement is subject to approval by the TSX Venture Exchange. The Company expects to complete the Proposed Shares-for-Debt Settlement before June 30, 2012.

(b) Payment of accrued dividends

As part of the Proposed Shares-for-Debt Settlement, the Management Companies requested that all dividends accrued on Class "A" preference shares to the Management Companies, being \$277,366 at June 30, 2011, to be paid in cash before June 30, 2012. The Company is currently negotiating with the Management Companies to settle the accrued dividends for a lesser amount.

(c) Acquisition of property and equipment

In September, 2011, CIGO and Chai-Na-Ta Farm Ltd. ("CNT") entered into an asset purchase agreement under which CIGO will acquire an approximately 50-acre property and farm equipment from CNT for an aggregate amount of \$1.85 million in January, 2012. The Company intends to pay approximately 50% of the purchase price with cash from operations and finance the balance. This sale of property and equipment represents substantially all the assets of CNT and is therefore subject to CNT's shareholders approval.

Imperial Ginseng Products Ltd.
Consolidated Schedule of Ginseng Crop Cost
(Expressed in Canadian Dollars)

For the years ended June 30,	2011	2010
Balance, beginning of the year	\$ 6,689,730	\$ 7,256,335
Crop costs incurred in the year		
Administrative (note 3 (a))	153,085	145,414
Chemicals, mulch and seed	855,440	792,251
Depreciation and amortization	155,717	159,138
Direct labor (note 3 (a))	1,467,421	1,478,405
Land rental	308,170	315,805
Operating and maintenance	243,467	271,959
	3,183,300	3,162,972
	9,873,030	10,419,307
Cost of ginseng crops harvested	(3,759,043)	(3,729,577)
Balance, end of the year	\$ 6,113,987	\$ 6,689,730
Comprised of:		
Current portion expected to be harvested and marketed within one year	\$ 2,200,000	\$ 2,800,000
Balance expected to be harvested after one year	3,913,987	3,889,730
	\$ 6,113,987	\$ 6,689,730

CORPORATE INFORMATION

DIRECTORS

Stephen P. McCoach ⁽¹⁾ ⁽²⁾
Hugh R. Cartwright ⁽¹⁾
Maurice Levesque ⁽²⁾
James S. Chang ⁽¹⁾ ⁽²⁾
Dr. Aik Ping Eng ⁽²⁾
Joseph A. Rogers

⁽¹⁾ Member of the Executive Committee

⁽²⁾ Member of the Audit Committee

OFFICERS

Stephen P. McCoach, Chief Executive Officer, Co-Chairman and Secretary
Amelia Yeo, Chief Financial Officer
Hugh R. Cartwright, President and Co-Chairman
Maurice Levesque, Executive Vice President
Rob Geier, Vice President, Ontario Operations and
President, Canadian Imperial Ginseng Ontario Ltd.

AUDITORS

Grant Thornton LLP, Chartered Accountants

LEGAL COUNSEL

Fasken Martineau DuMoulin LLP

BANKER

Royal Bank of Canada

HEAD OFFICE

1601 – 650 West Georgia Street, Vancouver, BC Canada V6B 4N7
Telephone (604) 689-8863 Facsimile (604) 689-8892

STOCK EXCHANGE

TSX Venture Exchange
Common Shares: IGP
Convertible Preference Shares: IGP.PR.A

TRANSFER AGENT

Computershare Trust Company of Canada

ANNUAL GENERAL MEETING

The annual general meeting of common shareholders will be held on December 8, 2011 at 10:00 am (Pacific time) at:

Fasken Martineau DuMoulin LLP
Suite 2900, 550 Burrard Street, Vancouver, British Columbia, Canada