



Burc**n**
A New World in Protein

A growing opportunity in protein



Source: Canola Council of Canada

Burcon faced a challenging year in 2005. Shortly after beginning the regulatory recognition process and in consultation with Archer Daniels Midland (ADM), we concluded that our protein extraction process could be refined in an effort to further improve the flavour and colour of Puratein® and Supertein™. That decision delayed the toxicology trial portion of the regulatory recognition process, as our team has spent the last three quarters researching and improving our existing protein extraction technology.

I believe we made the right decision.

We want Puratein and Supertein to have the widest potential application as food ingredients. In order to have our proteins adopted by the true global players in the processed food industry, we must produce to the highest standards.

We view the United States and the European Union as the most important initial markets for our products. As such, our initial regulatory activities focus on obtaining regulatory recognition in these markets.

In both the U.S. and Europe, the onus is on the company to establish the safety of new food ingredients intended for human consumption. The company must prepare documentation supporting the new product's safety. The toxicology feeding trial results make up an important part of this documentation. An equally important part of this documentation is a detailed description of the manufacturing process for the new food ingredient.

Since both the process by which a new ingredient is produced and the resultant toxicology feeding trial data are linked, the toxicology feeding trials for Puratein

and Supertein can only be conducted after Burcon and ADM have determined the final extraction process by which our proteins will be produced.

The decision to improve our existing protein extraction technology has come at the cost of delaying the regulatory process. Our team has significant expertise in the development of new ingredients and novel production processes. They are drawing on this proficiency to refine Burcon's existing extraction technology.

We have narrowed our research to a handful of the most promising approaches identified from our efforts to date. This research has led to the filing of new patent applications. We are also focused on reducing – where possible – the implied cost of production for the new extraction methods. Overall, this means that Burcon is better positioning itself as a leading developer of commercial canola proteins.

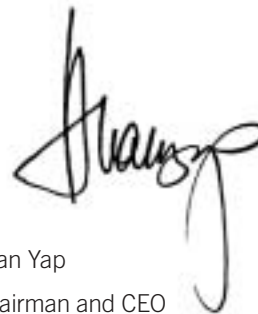
Although we have experienced regulatory delays, we have also had success identifying new potential applications for the proteins. The unique functional attributes of Supertein in particular show great promise for future use in certain applications where existing protein ingredients – namely, dairy, egg and soy – are not suitable. Supertein's best attributes are its high solubility and balanced nutritional profile.

Looking ahead, our team will maintain a laser-beam focus on the task of refining and finalizing our protein extraction process. We will continue to research ways to improve both Puratein and Supertein. Despite the challenges of last year, the opportunities for our proteins have never been better. Burcon continues to formulate strategies to expand on the economic potential of these proteins.

Once again, I would like to thank our shareholders for their continued commitment to our company and faith in our business model. I extend a special thanks to our employees who have diligently worked to refine Burcon's technology. I also thank our board of directors and our management team for maintaining their enthusiasm to the overall opportunity in front of us while facing some challenges during the past year.

I would also like take this opportunity to thank Mr. John Stark who, after six years as a Burcon board member, has chosen to not seek reappointment. John was one of the founding directors of Burcon. He has worked diligently in that capacity and has served on most of Burcon's board committees during his tenure. John will continue to represent our company in his capacity as Burcon's legal counsel.

Burcon has a competent team of employees and professionals. With our dedication, knowledge, and expertise, and with the support from our alliance partner, we will continue to develop the true potential of our novel and exciting new protein ingredients.



Allan Yap
Chairman and CEO

Management's Discussion and Analysis of Financial Condition and Results of Operations

Years ended March 31, 2005 and 2004

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(All amounts following are expressed in Canadian dollars unless otherwise indicated.)

This Management's Discussion and Analysis (MD&A) has been prepared as at July 7, 2005 to provide a meaningful understanding of Burcon NutraScience Corporation's ("Burcon" or the "Company") operations, performance, and financial condition for the year ended March 31, 2005. The following information should be read in conjunction with the Company's audited consolidated financial statements and related notes therein that are prepared in accordance with Canadian generally accepted accounting principles. Additional information relating to Burcon is available on SEDAR at www.sedar.com.

OVERVIEW OF THE COMPANY AND ITS BUSINESS

Burcon is a research and development company developing a portfolio of composition, application, and process patents around its plant protein extraction and purification technology. The goal of Burcon's research is to develop its patented process to utilize inexpensive oilseed meals for the production of purified plant proteins that exhibit certain nutritional, functional or nutraceutical profiles. Burcon, in conjunction with Archer Daniels Midland Company (ADM), is currently focusing its efforts on developing the world's first commercial canola proteins, Puratein™ and Supertein™. Canola, recognized for its nutritional qualities, is Canada's largest oilseed crop and the second-largest oilseed crop in the world after soybeans. Burcon's goal is to develop Puratein and Supertein to participate with soy, dairy, and egg proteins in the expanding multi-billion-dollar protein ingredient market, with potential uses in prepared foods, nutritional supplements, and personal care products.

LICENSE AGREEMENT

On September 16, 2003, Burcon entered into a license and development agreement (the Agreement) with ADM to commercialize Burcon's canola protein ingredients, including Puratein and Supertein (the Products). The Agreement outlines the process by which the two parties will carry out final development of Burcon's technology to produce Puratein and Supertein canola protein isolates, as well as special grades of the Products and derivative products. The Agreement contemplates that ADM will develop applications for the Products, obtain regulatory approvals, construct one or more full-scale production facilities and have the exclusive right to produce, promote, market and sell the Products worldwide.

Upon completion of the development period set out in the Agreement, and the parties' agree-

ment on the royalty rate and minimum royalties payable by ADM during the term of the Agreement, Burcon will grant ADM an exclusive, royalty-bearing, worldwide license to use and exploit Burcon's technology solely to make, have made, use, import and sell the Products, together with certain rights to grant sublicenses. ADM will pay Burcon royalties based on sales of Products by ADM, its affiliates, or sublicensees.

The parties have agreed to a royalty rate within a specified range based on the net revenues ADM may realize from sales of the Products. The Agreement stipulates how the parties will agree on the royalty rate, including a provision to appoint an arbitrator in the event of a deadlock in negotiations.

Under the Agreement, ADM must use its best efforts to obtain regulatory approval (Generally Recognized As Safe or "GRAS" status) from the U.S. Food and Drug Administration for the Products (the Approval Date). At any time up to the Approval Date, ADM has the right to terminate the Agreement or waive its right to do so. Until such time as ADM either achieves the Approval Date, or waives its right to terminate, all jointly developed intellectual property arising during the term of the Agreement and relating to the Burcon technology will be owned by Burcon. Thereafter, the Agreement may only be terminated by either party in the event that the royalty rate or the minimum royalties cannot be agreed to between the parties or for a material breach of the other party's obligations under the Agreement.

Burcon has obligations to maintain and prosecute its patents in certain countries specified in the Agreement as well as to defend or enforce its patents.

OPERATIONAL HIGHLIGHTS

During the earlier part of the current fiscal year, Burcon worked on producing and providing samples to ADM needed for applications work and toxicology studies. The samples were to allow the initiation of the process to obtain regulatory recognition for canola protein as Generally Recognized as Safe (GRAS) from the U.S. Food and Drug Administration. After reviewing the samples, the Company and ADM concluded that additional modifications would be necessary to improve certain physical and functional properties of Puratein and Supertein to allow for a broader array of applications. It is critical to confirm the final processing conditions to be employed in the commercial production of Supertein and Puratein prior to the start of the regulatory recognition process.

For the balance of the current fiscal year and to the date of this MD&A, Burcon, in conjunction with ADM, conducted further research, both internally and externally through third-party facilities, on investigating modifications to the extraction process. Through their joint efforts,

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Burcon and ADM's teams have narrowed the various modifications to a few that they consider to be the most promising. Once Burcon and ADM are satisfied with the overall quality of the proteins that can be produced under the refined technology, samples will be produced to conduct toxicology studies which will form an important part of the GRAS notification dossier and the regulatory recognition process.

During the current year, Burcon filed a patent application over a process to produce sodium-free versions of Puratein and Supertein which may be valued by food processors who wish to produce sodium-reduced products. In addition, Burcon filed another patent application over the functional properties of the components of Puratein and Supertein. During the year, Burcon also continued the prosecution of pending patent applications. During 2005, several of its applications entered into National Phase, during which national applications were filed in selected countries.

In the earlier part of this fiscal year, Burcon announced that it had entered into a research collaboration agreement with the Fraunhofer Institute of Friesing, Germany to conduct experiments and characterize certain bio-functional properties of Burcon's protein products with respect to potential value-added health benefits. The main areas that were being investigated included blood cholesterol lowering activity and the antioxidant activity of virgin canola proteins and partly modified canola proteins. Investigative procedures included testing against standard food ingredients and selected pharmaceuticals as benchmarks. The results indicated that the Products' effect on bile acid binding were not statistically different from that of soy protein isolate. However, Burcon's proteins showed significant radical scavenging activity.

Free radicals (super oxide, hydrogen peroxide and hydroxyl radicals) are generated both in food and in the human body. In food they cause deterioration of the fat and other food constituents. This may result in the formation of off-flavours and undesirable chemical compounds that may be detrimental to health. Free radicals that are produced as metabolites in the human body are related to the cause of several diseases. There is an increasing interest in substances that can destroy free radicals or even prevent their formation in order to reduce the risk of disease and to make food more stable. The Fraunhofer results suggest that Burcon's protein products may have effective anti-oxidative potential in vivo. Correlation between these results and the activity in vivo will need to be undertaken.

Over the past 5-1/2 years, Burcon's Winnipeg facility has undergone significant modification and now incorporates new continuous processing steps. This facility was used to produce product under conditions that try to replicate the expected commercial processing conditions which is a critical step in obtaining regulatory recognition for Puratein and Supertein. As part

of this modification process, Burcon acquired capital equipment of about \$165,000 during fiscal 2005.

INVESTOR RELATIONS

During 2005, Burcon announced the departure of Michael Kirwan, senior vice-president corporate development. Mr. Kirwan was responsible for, among other items, Burcon's investor relations and corporate communications. Burcon's chief financial officer, Jade Cheng, has assumed the responsibility for investor relations and corporate communications.

SUMMARY OF OPERATING RESULTS

Years ended March 31 (in thousands of dollars, except share and per-share amounts)

	2005	2004	2003
Interest and other income	48	48	52
Research and development expenditures	1,406	1,331	1,956
Other expenditures	1,795	1,313	1,535
Loss for the year	(3,153)	(2,596)	(3,439)
Basic and diluted loss per share	(0.17)	(0.16)	(0.23)
Total assets	3,645	6,319	4,030
Total long-term liabilities	–	–	–
Cash dividends declared per-share	–	–	–
Weighted average shares outstanding (thousands)	18,059	16,246	14,639

RESULTS OF OPERATIONS

Burcon has not generated any revenues from its technology and is considered to be a development stage company. For the year ended March 31, 2005, the Company recorded a loss of \$3,153,294 (\$0.17 per share) as compared to \$2,596,054 (\$0.16 per share) in the prior year. The following provides a comparative analysis of significant changes in major expenditures items.

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Years ended March 31, 2005 and 2004

Research and development expenses

Components of research and development (R&D) expenditures are disclosed in note 6 to the consolidated financial statements. For the year ended March 31, 2005, R&D expenditures totalled \$1,406,035, compared to \$1,330,711 in 2004. Approximately one-half of R&D expenditures is comprised of salaries and benefits, of which \$67,103 related to stock-based compensation.

Amortization expense decreased by approximately \$116,000 in 2005 from 2004 due primarily to applying the declining balance method of amortization on the lower unamortized balance of equipment acquired in previous years. Analysis and testing expenses increased by approximately \$103,000 in 2005, due primarily to the Fraunhofer functionality and bio-functionality study carried out in 2005 at a cost of approximately \$92,000 with the balance of the increase due to the testing of samples generated from the process refinement.

General and administrative expenses

Years ended March 31 (in thousands of dollars)

	2005	2004	2003
Salaries and benefits	652	459	565
Office supplies and services	81	85	94
Investor relations	73	107	153
Travel and meals	42	41	91
Other	31	34	56
	879	726	959

Included in 2005's salaries and benefits is about \$336,000 of stock-based compensation (2004 - nil). The cash component of salaries and benefits decreased by approximately \$143,000 as a result of the departure of three employees during 2005. Investor relations expenses decreased by approximately \$34,000, with about \$21,000 of the decrease attributable to investor relations activities undertaken in Europe in 2004.

Professional fee expenses

Total professional fees incurred in 2005 increased by about \$345,000 over 2004. Patent legal fees and disbursements increased by about \$402,000 as a result of increased patent filing activities and the maintenance of existing patents. As noted earlier, several of the Company's patent applications entered National Phase during the current fiscal year and national applications were filed in selected countries. This was offset by a decrease of approximately \$66,000 in legal and consulting fees associated with the ADM agreement in fiscal 2004. Consulting fees also decreased by about \$44,000 due primarily to services rendered in 2004 for human resources consulting and the Frankfurt exchange listing. The balance of the increase is attributed to increase in services related to recurring audit and legal matters.

Management fees and services expenses

Included in management fees and services expenses is stock-based compensation of about \$32,000 (2004 - approx. \$23,000) related to corporate advisory services provided. The balance of the decrease can be attributed to reduced fees charged by a related company due to a Company officer on leave during the current year.

LIQUIDITY AND FINANCIAL POSITION

Financial Position

At March 31 (in thousands of dollars)

	2005	2004	2003
Cash and cash equivalents	1,059	3,574	940
Amounts receivable	18	16	23
Property and equipment, net of amortization	1,172	1,408	1,756
Total assets	3,645	6,319	4,030
Shareholders' equity	3,466	6,040	3,793

At March 31, 2005, the Company's cash position was \$1,058,976, as compared to \$3,573,804 at March 31, 2004. The net cash used in operations during the year ended March 31, 2005, measured in terms of cash flow from operating activities, totalled

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Years ended March 31, 2005 and 2004

\$2,432,306, as compared to \$2,127,843. The increase of \$304,463 in net cash used in operations was due primarily to increased research and development and professional fees, offset by a decrease in general and administrative cash expenses as discussed in the Results of Operations section above.

The Company invested in approximately \$165,000 in capital acquisitions during the year, as compared to \$62,669 during fiscal 2004. The equipment acquired in 2005 facilitated the implementation of continuous processing steps at the Winnipeg facility. During the year, Burcon disposed of a piece of equipment that provided proceeds of about \$46,000.

Cash flows from financing activities totalled \$36,185, compared to \$4,824,472 in the prior year. During the current year, 15,000 stock options and 29,070 warrants were exercised providing proceeds of about \$75,000. The Company incurred approximately \$39,000 related to the rights offering that concluded in June 2005. During 2004, financing activities from the two private placements and the exercise of stock options during the year provided gross proceeds of \$5,217,000, with issue costs of \$392,528.

At March 31, 2005, Burcon's working capital was \$1,000,537 (2004 - \$3,377,739). There were no capital acquisitions committed as at March 31, 2005. However, Burcon may incur up to \$180,000 in additional capital expenditures and approximately \$600,000 in patent legal fees and disbursements in fiscal 2006.

On June 28, 2005, Burcon completed a rights offering for 3,012,563 common shares for gross proceeds of \$2,259,423, with estimate net proceeds of \$2,179,423. Shareholders of the Company as of the record date of May 20, 2005 were issued one right for each common share held. Six rights entitled the holder to subscribe for one common share at \$0.75 per common share. Two guarantors provided standby guarantees to purchase from Burcon such number of common shares that are available for purchase, but not otherwise subscribed for, that would have resulted in a minimum of 1,506,282 common shares being issued under the rights offering. As consideration for providing a standby guarantee, Burcon issued share purchase warrants entitling each guarantor to acquire 188,285 common shares at an exercise price of \$0.75 per common share. The warrants will expire on December 28, 2005. The net proceeds from this offering will be used to continue the research and development of Burcon's protein extraction technology and for general working capital.

The Company's management believes that it has sufficient resources to fund its expected level of operations and working capital requirements to at least October 2006.

Information regarding the Company's outstanding common shares and convertible securities are disclosed in note 5 of the consolidated financial statements. As of the date of this MD&A, Burcon had 21,087,946 common shares outstanding, 1,670,687 share purchase warrants outstanding at a weighted average exercise price of \$1.91, and 1,915,000 stock options outstanding at a weighted average exercise price of \$2.52 per share.

QUARTERLY FINANCIAL DATA

(Unaudited, in thousands of dollars, except per-share amounts)

Quarters ended	MAR 31 2005	DEC 31 2004	SEP 30 2004	JUN 30 2004
Interest and other income	8	11	13	16
Loss for the period	(678)	(637)	(913)	(925)
Basic and diluted loss per share	(0.04)	(0.04)	(0.05)	(0.05)

Quarters ended	MAR 31 2004	DEC 31 2003	SEP 30 2003	JUN 30 2003
Interest and other income	24	12	5	7
Loss for the period	(772)	(582)	(620)	(622)
Basic and diluted loss per share	(0.04)	(0.04)	(0.04)	(0.04)

As a result of Burcon's restructuring of its management and staff to target its operational focus on securing an alliance partner, the Company's losses for the first three quarter of fiscal 2004 were reduced, with the higher loss in the fourth quarter being attributed mainly to bonuses granted of approximately \$112,000, professional fees of about \$38,000 related to audit and human resources consulting services and higher patent legal fees and disbursements. The increase in losses incurred in each of the four quarters of fiscal 2005 is attributed primarily to stock-based compensation expense of approximately \$229,000, \$66,000, \$70,000 and \$70,000 in quarters one to four, respectively. Burcon also incurred higher expenditures during the second quarter with the Fraunhofer study, the recording of the directors' annual retainer (settled in shares) and the loss on disposal of equipment.

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Years ended March 31, 2005 and 2004

RELATED PARTY TRANSACTIONS

Related party transactions are disclosed in note 8 to the consolidated financial statements. The Company rents its head office premises from and shares certain office equipment with a company related by virtue of a common shareholder, directors and officers. During fiscal 2005, Burcon paid \$23,871 (2004 - \$23,170) to this company for the rental charges. In addition, professional services of two of the Company's officers and an administrative staff member are contracted through a management agreement with this related company and, for the year ended March 31, 2005, Burcon paid \$67,478 (2004 - \$90,630) for these services. During the year ended March 31, 2005, the Company also paid \$65,776 (2004 - \$120,593) for legal fees to a partnership in which a director is legal counsel. These transactions, occurring in the normal course of operations, are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

RISKS AND UNCERTAINTIES

From time to time, the Company or its employees may provide information containing forward-looking statements that involve risks and uncertainties. These forward-looking statements relate to, among other things, plans and timing for the introduction or enhancement of our products, statements about future market conditions, supply and demand conditions, and other expectations, intentions and plans contained in these statements that are not historical fact. Our expectations regarding the prospect for future success depend upon our ability to develop and sell products, which we do not produce today and cannot be sold without further research and development. When used in these statements, the words "goal," "intend," "believes" and "potential" and similar expressions, generally identify forward-looking statements. These statements reflect our current expectations. They are subject to a number of risks and uncertainties. In light of the many risks and uncertainties surrounding the development of a source of protein from canola meal, readers should be cautioned not to place undue reliance on such forward-looking statements. The Company's actual future results may differ significantly from those stated in any forward-looking statements. Factors that may contribute to or cause such differences include, but are not limited to, the following:

Development and commercialization – Burcon has not developed any commercial products. There can be no assurance that any of its products will meet applicable food regulatory standards, obtain regulatory approvals, receive public and industry acceptance as a food ingredient or dietary supplement or be sold at competitive prices that adequately exceed production and business costs.

Patent and proprietary rights – Although Burcon expends significant resources and efforts to patent its discoveries and innovations, there can be no assurances that any of Burcon's

patent applications will result in the issuance of patents, or any patents issued to Burcon will provide it with adequate protection or any competitive advantages, or that such patents will not be successfully challenged by third parties. Burcon cannot be assured that competitors will not independently develop products similar to the Company's products or manufacture products designed to circumvent the exclusive patent rights granted to the Company. Further, Burcon may need to incur significant expenditures in prosecuting claims against others whom it believes are infringing on its rights and by defending claims of intellectual property infringement brought by its competitors and others.

History of operating losses and financing requirements – Burcon has accumulated net losses of approximately \$15.8 million from its date of incorporation through March 31, 2005 and it expects such losses to increase as it continues to work with ADM to obtain regulatory approvals for the sale of its products. Burcon expects to continue to incur additional losses before it reaches the commercialization stage. There can be no assurances that additional funding will be available on acceptable terms. Burcon cannot predict if it will ever achieve profitability and, if it does, it may not be able to sustain or increase its profitability.

Reliance on alliance partner – The success of the Company's arrangement with its alliance partner, ADM, will depend on ADM's willingness and ability to continue to fulfill its obligations under the terms of the Agreement.

OUTLOOK

Looking forward, Burcon will continue to focus on research at the Winnipeg technical centre to refine the protein extraction technology in an effort to expand the potential applications for Supertein and Puratein.

Research and development conducted during the past year on improving the flavour and colour of Puratein and Supertein led to the filing of new patent applications. Burcon also conducted research aimed at developing intellectual property on the uses for its proteins. Therefore an important additional part of the ongoing development work will be centered on supporting and completing those patent applications. Burcon's intellectual property is its key asset and building upon and supporting our patent portfolio is a critical element of our go forward strategy.

Burcon will also pursue research examining additional uses for our proteins both in human food applications as well as in non-food applications.

Burcon's research currently being conducted is aimed at establishing a robust technology wherein canola proteins with exciting functional characteristics can be produced cost effectively. Once this is established, and in conjunction with our alliance partner, the toxicology feeding trials can then be initiated.

Management's Responsibility for Financial Reporting

The consolidated financial statements contained in this Annual Report are the responsibility of management, and have been prepared in accordance with Canadian generally accepted accounting principles and include when necessary some estimates based on management's best judgment. Financial information presented elsewhere in the Annual Report is under management responsibilities and is consistent with that contained in the accompanying financial statements.

Burcon's policy is to maintain internal accounting and administrative systems, combined with disclosure controls of high quality consistent with reasonable cost. Such systems are designed to provide reasonable assurance as to the reliability of financial information and the safeguarding of assets.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements through its Audit Committee, which reviews the consolidated financial statements and reports thereon to the Board of Directors. The Audit Committee meets periodically with the external auditors and management to review their respective activities and to satisfy itself that each party is properly discharging its responsibilities. The external auditors have free access to the Audit Committee, with or without management, to discuss the scope of their audits, the adequacy of the system of internal control, and financial reporting matters.

The consolidated financial statements have been reviewed by the Audit Committee and, together with the other required information in the Annual Report, approved by the Board of Directors. In addition, the consolidated financial statements have been audited by PricewaterhouseCoopers LLP, whose report is provided herein.



Johann F. Tergesen
President & Chief Operating Officer



Jade Cheng
Chief Financial Officer

Auditors' Report

To the Shareholders of Burcon NutraScience Corporation

We have audited the consolidated balance sheets of **Burcon NutraScience Corporation** as at March 31, 2005 and 2004 and the consolidated statements of operations and deficit and of cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2005 and 2004 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

"PricewaterhouseCoopers LLP" (signed)

Chartered Accountants
Vancouver, British Columbia
May 20, 2005
(except for note 11(b), which is as of June 28, 2005)

Consolidated Balance Sheets

As at March 31, 2005 and 2004

	2005 \$	2004 \$
ASSETS		
Current assets		
Cash and cash equivalents	1,058,976	3,573,804
Amounts receivable	18,157	15,506
Prepaid expenses and deposits	102,933	66,847
Property and equipment (note 3)	1,180,066	3,656,157
Deferred financing costs	1,171,837	1,407,638
Goodwill (note 4)	38,595	-
	1,254,930	1,254,930
	3,645,428	6,318,725
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 8)	179,529	278,418
SHAREHOLDERS' EQUITY (note 5)		
Capital stock	14,780,639	14,650,662
Contributed surplus	2,920,764	1,350,065
Warrants	1,010,534	2,606,430
Options	523,826	49,720
Deficit	(15,769,864)	(12,616,570)
	3,465,899	6,040,307
	3,645,428	6,318,725

NATURE OF OPERATIONS AND GOING CONCERN (note 1)

SUBSEQUENT EVENTS (note 11)

Approved by the Board of Directors



John Stark, Director



Johann Tergesen, Director

See accompanying notes to consolidated financial statements.

Consolidated Statements of Operations and Deficit

For the years ended March 31, 2005 and 2004

	2005	2004
	\$	\$
EXPENSES		
Research and development (notes 3, 5 and 6)	1,406,035	1,330,711
General and administrative (notes 5 and 8)	879,025	726,188
Professional fees (note 8)	814,571	469,560
Management fees and services (note 8)	98,222	113,280
Amortization	3,065	3,854
LOSS FROM OPERATIONS	(3,200,918)	(2,643,593)
OTHER INCOME		
Interest	47,624	47,539
LOSS FOR THE YEAR	(3,153,294)	(2,596,054)
DEFICIT - BEGINNING OF YEAR	(12,616,570)	(10,020,516)
DEFICIT - END OF YEAR	(15,769,864)	(12,616,570)
BASIC AND DILUTED LOSS PER SHARE (note 7)	(0.17)	(0.16)

See accompanying notes to consolidated financial statements.

1 Nature of operations and going concern

Burcon NutraScience Corporation (Burcon or the Company) is a research and development company that is developing its plant protein extraction and purification technology. To date, the Company has not earned revenues from its technology and is considered to be in the development stage. The goal of Burcon's research is to develop its patented process to utilize inexpensive oilseed meals for the production of purified plant proteins that exhibit certain nutritional, functional or nutraceutical profiles. Burcon, in conjunction with Archer Daniels Midland (ADM), is currently focusing its efforts on developing the world's first commercial canola proteins, Puratein[®], and Supertein[™]. Burcon's goal is to develop Puratein and Supertein to participate with soy, dairy and egg proteins in the protein ingredient market, with potential uses in prepared foods, nutritional supplements and personal care products.

On September 16, 2003, Burcon entered into a license and development agreement (the Agreement) with ADM to commercialize Burcon's canola protein ingredients, including Puratein and Supertein. The Agreement outlines the process by which the two parties will carry out final development of the technology to produce Puratein and Supertein canola protein isolates, as well as special grades of the products and derivative products. The Agreement contemplates that ADM will develop applications for the products, obtain regulatory approvals, construct one or more full-scale production facilities and have the exclusive right to produce, promote, market and sell the products worldwide.

Upon completion of the development period set out in the Agreement, Burcon will grant ADM an exclusive, royalty-bearing, worldwide license to use and exploit Burcon's technology solely to make, have made, use, import and sell products, together with certain rights to grant sublicenses. ADM will pay Burcon royalties based on sales of products by ADM, its affiliates, or sublicensees. The parties have agreed to a royalty rate within a specified range based on the net revenues ADM realizes from sales of the products. The Agreement stipulates the procedure by which the parties will agree on the royalty rate, including a provision to appoint an arbitrator in the event of a deadlock of negotiations.

Under the Agreement, ADM must use its best efforts to obtain regulatory approval (GRAS status) from the U.S. Food and Drug Administration for the products (the Approval Date). At any time up to the Approval Date, ADM has the right to terminate the Agreement or waive its right to do so. Until such time as ADM either achieves the Approval Date, or waives its right to terminate, all jointly developed intellectual property arising during the term of the Agreement and relating to the Burcon technology will be owned by Burcon. Thereafter, the Agreement may only be terminated by either party in the event that the royalty rate or minimum royalties

cannot be agreed upon by the parties or for a material breach of the other party's obligations under the Agreement.

Burcon has obligations to maintain and prosecute its patents in certain countries specified in the Agreement as well as to defend or enforce its patents.

Going concern

These financial statements have been prepared using Canadian generally accepted accounting principles that are applicable to a going concern, which includes the assumption that the Company will be able to realize its assets and settle its liabilities in the normal course of business. The use of such principles may not be appropriate because the Company has not yet realized profitable operations and has relied on private placements to provide the financing necessary to support its research and development activities. No provision has been made in these financial statements for adjustments to the carrying value of assets and liabilities should the Company be unable to continue as a going concern. To complete current research and development activities and fund operations, the Company may require additional capital. If sufficient capital is not raised, the ability of the Company to continue operations and bring the projects to market may be impaired. During fiscal 2004, the Company completed private placements for gross proceeds of \$5,150,000 (note 5). Subsequent to March 31, 2005, the Company completed a rights offering raising approximately \$2,179,000 (note 11(b)). Management believes that the Company has sufficient resources to fund working capital to at least October 2006. The Company continues to work with ADM to bring the products into commercial production. Management believes that these actions make the use of the going concern basis appropriate; however, it is not possible at this time to predict the outcome of these actions.

2 Significant accounting policies

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Burcon NutraScience (MB) Corp. All material intercompany balances and transactions have been eliminated.

Use of estimates

The preparation of consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions

Notes to Consolidated Financial Statements

March 31, 2005 and 2004

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that affect the amounts reported and disclosed in the financial statements. Actual results may differ from those estimates.

The estimated useful lives of the Company's property and equipment for purposes of determining amortization and the evaluation of the net recoverable amount resulting from the use and eventual disposition of these assets requires management to make significant estimates and assumptions due in part to the uncertainties associated with the development and exploitation of the Company's technology and of the limited availability of reliable comparable data for certain equipment. Accordingly, by their nature, such estimates are subjective and do not result in precise determinations. It is possible that changes may occur which could materially affect the estimated recoverable amounts.

Cash and cash equivalents

For purposes of determining cash flows, cash and cash equivalents consist of cash on deposit and highly liquid short-term interest bearing securities with maturities at the date of purchase of three months or less.

Property and equipment

Property and equipment are recorded at cost less accumulated amortization. The Company provides for amortization using the following annual rates and methods:

Plant equipment	20% - 50% declining balance basis
Computer equipment	30% declining balance basis

Impairment of long-lived assets

The Company tests long-lived assets for impairment whenever events or circumstances indicate that the carrying value of an asset or group of assets may not be recoverable. If the carrying value of an asset or group of assets exceeds the undiscounted estimated future cash flows related to the asset or group of assets, an impairment loss is recognized in the period it is determined to the extent that the carrying value exceeds the fair value of the asset or group of assets.

Deferred financing costs

Professional fees and other direct costs relating to financing activities are deferred and recorded as share issue costs upon completion of the financing.

Goodwill

Goodwill represents the excess at the date of acquisition of the cost of the acquired business over the fair values attributed to the underlying net tangible assets and the identifiable intangible assets. Goodwill is not amortized.

On at least an annual basis, the Company subjects goodwill to an impairment test which is based upon a comparison of the carrying amount to the fair value of the goodwill. Any impairment in the carrying amount of goodwill is charged to operations in the period such impairment is identified.

Research and development costs

Research costs are expensed in the period incurred. Development costs are expensed as incurred unless they meet the specific criteria for deferral as set out under Canadian generally accepted accounting principles.

Patent costs

Expenditures incurred to prepare, file and obtain patents, and to maintain existing patents, are expensed as incurred.

Income taxes

The Company uses the asset and liability method of accounting for income taxes. Under this method, current income taxes are recognized for the estimated income taxes payable for the current period. Future income tax assets and liabilities are recognized in the current period for temporary differences between the tax and accounting bases of assets and liabilities as well as for the benefit of losses available to be carried forward to future years for tax purposes. Future income tax assets and liabilities are measured using substantively enacted tax rates and laws expected to apply in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in tax rates on future income tax assets and liabilities is recognized in operations in the period that includes the substantive enactment date. A valuation allowance is recognized to the extent it is more likely than not that future income tax assets will not be realized.

Stock-based compensation

On April 1, 2002, the Company prospectively adopted the recommendations of the Canadian Institute of Chartered Accountants (CICA) related to the recognition, measurement and disclosure of stock-based compensation.

Notes to Consolidated Financial Statements

March 31, 2005 and 2004

These recommendations encouraged, but did not require, applying the fair value based method of accounting for stock-based compensation to employees. Under the fair value method, the value of a stock option is determined using an option pricing model that takes into account, as of the grant date, the exercise price, the expected life of the option, the current price of the underlying stock, its expected volatility, expected dividends on the stock, and the risk-free interest rate over the expected life of the option.

For the period from April 1, 2002 to March 31, 2003, the Company elected not to adopt the fair value method of accounting for its employee stock options and to apply the fair value method for stock-based compensation granted to non-employees.

During 2003, the CICA amended its recommendation related to accounting for stock-based compensation. Pursuant to the amendments, the Company elected to prospectively apply the fair value method of accounting for stock-based compensation to employees for all awards granted on or after April 1, 2003. For such awards granted prior to April 1, 2003, the Company discloses the pro forma effects on the loss for the year and the loss per common share for the year as if the fair value method had been applied to those awards.

Loss per share

The Company applies the treasury stock method to calculate diluted loss per share and assumes that the proceeds from "in the money" dilutive instruments are used to purchase common shares at the average market price during the period. Basic loss per common share is computed by dividing net loss by the weighted average number of common shares outstanding during the year. For diluted loss per common share, the denominator also includes the effect of exercising the common stock purchase warrants and stock options, only if dilutive.

3 Property and equipment

2005			
	Cost	Accumulated amortization	Net
	\$	\$	\$
Plant equipment	2,476,981	(1,321,132)	1,155,849
Computer equipment	47,700	(31,712)	15,988
	2,524,681	(1,352,844)	1,171,837
2004			
	Cost	Accumulated amortization	Net
	\$	\$	\$
Plant equipment	2,538,848	(1,150,749)	1,388,099
Computer equipment	45,687	(26,148)	19,539
	2,584,535	(1,176,897)	1,407,638

In connection with the continued development of the Company's technology, during the year ended March 31, 2005, the Company disposed of certain plant equipment with a net book value of approximately \$106,000 (2004 - \$nil) resulting in a loss of \$59,850 (2004 - \$nil) which is included in research and development expenses (note 6).

Notes to Consolidated Financial Statements

March 31, 2005 and 2004

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4 Goodwill

	2005	2004
	\$	\$
Goodwill on acquisition of business	3,260,700	3,260,700
Reduction of goodwill upon cancellation of capital stock	(850,000)	(850,000)
	2,410,700	2,410,700
Accumulated amortization	(1,155,770)	(1,155,770)
	1,254,930	1,254,930

5 Capital stock

Authorized - Unlimited number of common shares without par value

Issued	Number of shares	Amount (\$)
Balance - March 31, 2003	14,875,001	10,902,789
Issued during the year for cash		
On private placements	3,088,236	4,041,941
Options exercised	45,000	67,000
Share issuance costs	-	(361,068)
Balance - March 31, 2004	18,008,237	14,650,662
Issued during the year for cash		
Options exercised	15,000	21,000
Warrants exercised	29,070	53,780
Warrants exercised	-	25,197
Shares issued to settle debt (a)	23,076	30,000
Balance - March 31, 2005	18,075,383	14,780,639

a) During the year ended March 31, 2005, the Company issued 23,076 common shares in settlement of \$30,000 in outstanding directors' fees.

No gain or loss on settlement resulted from this transaction as the effective settlement price per common share approximated the fair value of the shares at the time of the settlement.

Private placements

In May 2003, the Company completed a private placement of 500,000 units at \$1.50 per unit for gross proceeds of \$750,000. Each unit consisted of one common share and one non-transferable share purchase warrant exercisable at \$2.25 per common share for two years from the date of issue of the warrants. Of the \$750,000, \$438,732 has been included in capital stock and \$311,268 has been included in warrants. Burcon paid \$12,012 in commissions in connection with this placement.

In November 2003, Burcon completed a private placement of 2,588,236 units at \$1.70 per unit for gross proceeds of \$4,400,000. Each unit consisted of one common share and one-half of one non-transferable share purchase warrant. Each full warrant entitles the holder to purchase one additional common share at \$2.25 per share for a period of two years from the date of issue of the warrants. Of the \$4,400,000, \$3,603,209 has been included in capital stock and \$796,791 has been included in warrants. The Company paid a cash commission of \$255,342 and issued a common share purchase warrant to the agent who acted on this placement to purchase, for a period twelve months from the closing, 105,009 shares, at \$1.90 per share. The fair value of the agent's warrant was \$35,702 and has been included in warrants. Burcon also paid cash commissions of \$31,142 to other agents in relation to this placement.

On Burcon's private placements completed during the year ended March 31, 2004, 720,810 units aggregating \$1,198,457 were subscribed to by directors and officers and 660,000 units aggregating \$1,122,000 were subscribed to by a shareholder with a 25% interest in the Company.

The fair value of the warrants is estimated using the Black-Scholes pricing model.

Contributed surplus

	\$
Balance - March 31, 2003 and 2004	1,350,065
Expired warrants	1,570,699
Balance - March 31, 2005	2,920,764

Notes to Consolidated Financial Statements

March 31, 2005 and 2004

Warrants

The following warrants are outstanding:

2005

March 31, 2004	Granted	Exercised	Expired	March 31, 2005	Exercise price (\$)	Expiry date
1,614,394	–	(29,070)	(1,585,324)	–	1.85	May 17, 2004
27,500	–	–	(27,500)	–	1.85	May 24, 2004
158,106	–	–	(158,106)	–	1.85	May 31, 2004
105,009	–	–	(105,009)	–	1.90	November 26, 2004
500,000	–	–	–	500,000	2.25	May 1, 2005
1,294,117	–	–	–	1,294,117	2.25	November 26, 2005
3,699,126	–	(29,070)	(1,875,939)	1,794,117		

2004

March 31, 2003	Granted	Exercised	Expired	March 31, 2004	Exercise price (\$)	Expiry date
1,614,394	–	–	–	1,614,394	1.85	May 17, 2004
27,500	–	–	–	27,500	1.85	May 24, 2004
158,106	–	–	–	158,106	1.85	May 31, 2004
–	105,009	–	–	105,009	1.90	November 26, 2004
–	500,000	–	–	500,000	2.25	May 1, 2005
–	1,294,117	–	–	1,294,117	2.25	November 26, 2005
1,800,000	1,899,126	–	–	3,699,126		

Notes to Consolidated Financial Statements

March 31, 2005 and 2004

Stock option plan

The Company has a stock option plan in which all directors, officers, employees and consultants of the Company and its subsidiaries are eligible to participate. Prior to establishing the stock option plan in September 2000, the Company granted 1,300,000 options to purchase common stock, of which 235,948 (2004 - 630,948) were outstanding as at March 31, 2005. The outstanding options are exercisable at prices ranging from \$1.40 to \$4.25 per common share. The options have a five-year term from the date of grant and have all vested.

At March 31, 2005, 1,679,052 (2004 - 1,174,052) options to purchase common stock are outstanding from the stock option plan. These options, when vested under the terms of the plan, are exercisable at prices ranging between \$1.20 and \$4.25 per common share. An additional 924,415 (2004 - 836,915) options may be granted in future years under this plan. The options have a term of five years from the date of grant unless otherwise determined by the board of directors. One third of the options vest and may be exercised in each of the three years after granting unless otherwise determined by the board of directors.

	2005		2004	
	Number of Options	Weighted average exercise price (\$)	Number of Options	Weighted average exercise price (\$)
Outstanding - Beginning of year	1,805,000	2.48	2,090,000	2.38
Granted	635,000	1.72	275,000	2.65
Exercised	(15,000)	1.40	(45,000)	1.49
Forfeited	(510,000)	1.41	(515,000)	2.26
Outstanding - End of year	1,915,000	2.52	1,805,000	2.48

The following table summarizes information about stock options outstanding and exercisable at March 31, 2005:

	Options outstanding			Options exercisable	
Range of exercise prices (\$)	Number Outstanding at March 31, 2005	Weighted average remaining contractual life (years)	Weighted average exercise price (\$)	Number exercisable at March 31, 2005	Weighted average exercise price (\$)
1.20 to 1.86	880,000	3.27	1.64	325,833	1.53
2.00 to 3.50	570,000	1.34	2.46	546,667	2.47
4.25	465,000	0.44	4.25	465,000	4.25
	1,915,000			1,337,500	

Notes to Consolidated Financial Statements

March 31, 2005 and 2004

Had compensation cost for the Company's compensation plan been determined based on the fair value at the grant dates for awards under the plan consistent with the fair value based method of accounting for stock-based compensation, the Company's net loss and loss per share would have increased as noted in the pro forma amounts indicated below:

	2005	2004
	\$	\$
Loss for the year		
As reported	(3,153,294)	(2,596,054)
Pro forma	(3,206,745)	(2,668,716)
Basic and diluted loss per share		
As reported (note 7)	(0.17)	(0.16)
Pro forma	(0.18)	(0.16)

The fair value of each option is estimated as at the date of grant using the Black-Scholes option pricing model using the following weighted average assumptions:

	2005	2004
Dividend yield	0.0%	0.0%
Expected volatility	80.6%	71.3%
Risk-free interest rate	3.9%	3.1%
Expected average option term (years)	5.0	2.3

The weighted average fair value of the options granted during the year ended March 31, 2005 was \$1.15 (2004 - \$0.66) per option.

Included in research and development expenses is \$67,103 (2004 - \$7,253) and included in general and administrative expenses is \$335,974 (2004 - \$nil) of employee compensation costs resulting from stock-based compensation awards. Included in management fees and services expenses is \$31,954 (2004 - \$22,650) and included in prepaid expenses and deposits is \$58,892 (2004 - \$19,817) of consulting costs settled by way of stock options.

6 Research and development

	2005	2004
	\$	\$
Salaries and benefits (note 5)	691,076	661,921
Amortization	290,723	407,275
Laboratory operation	165,856	157,785
Analysis and testing	111,644	9,069
Rent	65,291	62,137
Loss on disposal of property and equipment (note 3)	59,850	-
Travel and meals	21,595	32,524
	1,406,035	1,330,711

Since inception, the Company has expensed \$8,022,995 on research and development expenditures.

Notes to Consolidated Financial Statements

March 31, 2005 and 2004

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7 Loss per share

The following table sets forth the computation of basic and diluted loss per share:

	2005	2004
	\$	\$
Loss for the year, being loss available to common shareholders - basic and diluted - loss per share	3,153,294	2,596,054
	Shares	Shares
Weighted average common shares - basic loss per share	18,058,949	16,246,124
Effect of dilutive securities - common share stock options and purchase warrants*	-	-
Weighted average common shares - diluted loss per share	18,058,949	16,246,124
Basic and diluted loss per share	\$ (0.17)	\$ (0.16)

* For the years ended March 31, 2005 and 2004, the Company excluded the potential common share equivalents from the diluted loss per share calculation as they were considered anti-dilutive.

8 Related party transactions

Included in general and administrative expenses for the year ended March 31, 2005 is \$23,871 (2004 - \$23,170) for the rental of office space, for services, and for equipment rental from companies related by virtue of a common shareholder, directors, and officers. At March 31, 2005, \$100 (2004 - \$nil) of these fees was included in accounts payable and accrued liabilities.

Included in professional fees is \$65,776 (2004 - \$120,593) for legal fees provided by a partnership in which a director is legal counsel. At March 31, 2005, \$29,876 (2004 - \$7,369) of these fees was included in accounts payable and accrued liabilities.

For the year ended March 31, 2005, included in management fees and services is \$67,478 (2004 - \$90,630) for services provided by a company related by virtue of common shareholders, directors, and officers. At March 31, 2005, \$1,771 (2004 - \$3,533) of this amount is included in accounts payable and accrued liabilities.

These transactions, occurring in the normal course of operations, are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

9 Income taxes

The recovery of income taxes differs from the amount obtained by applying the statutory Canadian federal and provincial income tax rates to loss for the year as follows:

	2005	2004
	\$	\$
Recovery of income taxes based on the combined statutory income tax rate of 36.64% (2004 - 36.92%)	(1,156,000)	(958,000)
Change in valuation allowance on future income tax assets	1,043,000	1,084,000
Investment tax credits	(98,000)	(80,000)
Difference between current and future statutory tax rates expected to apply to current year loss	-	8,000
Non-deductible items and tax adjustments	211,000	(54,000)
Provision for income taxes	-	-

Notes to Consolidated Financial Statements

March 31, 2005 and 2004

As at March 31, 2005, the Company has non-capital losses of approximately \$7,945,000 (2004 - \$6,282,000) available to reduce taxable income in future years. These losses expire as follows:

	\$
2006	22,000
2007	375,000
2008	982,000
2009	1,483,000
2010	1,830,000
2014	1,590,000
2015	1,663,000
	7,945,000

In addition, the Company has scientific research and experimental development expenditures of approximately \$6,770,000 (2004 - \$5,947,000) available to carry forward indefinitely.

The investment tax credits of \$2,251,000 (2004 - \$2,100,000) may be used to offset future income taxes otherwise payable and expire as follows:

	\$
2006	6,000
2007	19,000
2008	166,000
2009	446,000
2010	197,000
2011	297,000
2012	638,000
2013	208,000
2014	123,000
2015	151,000
	2,251,000

The tax effects of temporary differences that give rise to future income tax assets are as follows:

	2005	2004
	\$	\$
Future income tax assets		
Scientific research and experimental development expenditures	2,106,000	1,718,000
Investment tax credits	1,463,000	1,365,000
Losses from operations carried forward	2,876,000	2,270,000
Share issuance costs	120,000	177,000
Property and equipment	108,000	100,000
	6,673,000	5,630,000
Valuation allowance	(6,673,000)	(5,630,000)
	-	-

Management believes the realization of income tax benefits related to these losses and other potential future income tax assets is uncertain at this time and cannot be viewed as more likely than not. Accordingly, the Company has recorded a full valuation allowance.

10 Financial instruments

Credit risk exposures

The financial instruments that potentially expose the Company to a concentration of credit risk are cash and cash equivalents and amounts receivable. The Company limits its exposure to credit loss by placing its cash and cash equivalents with high quality financial institutions.

Interest rate risk exposure

All of the Company's financial instruments are non-interest bearing except for cash and cash equivalents that earn interest at variable market rates.

Notes to Consolidated Financial Statements

March 31, 2005 and 2004

Fair values

The fair values of cash and cash equivalents, amounts receivable, and accounts payable and accrued liabilities approximate their carrying values given the short term to maturity of these instruments.

11 Subsequent events

Subsequent to March 31, 2005:

- a) 500,000 warrants that were issued in the May 2003 private placement expired unexercised. As a result, \$285,583 was reclassified from warrants to contributed surplus.
- b) On June 28, 2005, Burcon completed a rights offering for 3,012,563 common shares for gross proceeds of \$2,259,423 with estimated net proceeds of \$2,179,423. Shareholders of the Company as of the record date of May 20, 2005 were issued one right for each common share held. Six rights entitled the holder to subscribe for one common share at \$0.75 per common share. Two guarantors provided standby guarantees to purchase from Burcon such number of common shares that are available for purchase, but not otherwise subscribed for, that would have resulted in a minimum of 1,506,282 common shares being issued under the rights offering. As consideration for providing a standby guarantee, Burcon issued share purchase warrants entitling each guarantor to acquire 188,285 common shares at an exercise price of \$0.75 per common share. The warrants will expire on December 28, 2005. The net proceeds from this offering will be used to continue the research and development of Burcon's protein extraction technology and for general working capital.

12 Comparative figures

Certain comparative figures have been reclassified to conform with financial statement presentation adopted in the current year.



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SHARE LISTING

TSX Venture Exchange
Symbol for Common Shares: BU

Frankfurt Stock Exchange
Symbol for Common Shares: WKN 157793

ANNUAL MEETING OF SHAREHOLDERS

Date:
September 7, 2005 at 10am PDT
Location:
Morris J. Wosk Centre for Dialogue
580 West Hastings Street
Vancouver, BC V6B 5K3

DIRECTORS

Allan Yap
Hong Kong
Chairman and
Chief Executive Officer
Burcon NutraScience Corporation

Rosanna M.W. Chau ¹
Hong Kong
Managing Director
ITC Corporation Limited

Dorothy K.T. Law
Vancouver, British Columbia
Vice-President, Legal and
Corporate Secretary
Burcon NutraScience Corporation

Stuart MacGregor ^{1,2}
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President, MacGregor Equities Inc.

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Lawyer, Stikeman Elliott LLP

Johann F. Tergesen
Vancouver, British Columbia
President and
Chief Operating Officer
Burcon NutraScience Corporation

Paul S. Westdal ²
Winnipeg, Manitoba
Professional Agrologist

¹ Member of the Audit Committee

² Member of the Compensation Committee

OFFICERS

Allan Yap
Chief Executive Officer

Johann F. Tergesen
President and
Chief Operating Officer

Jade Cheng
Chief Financial Officer
and Treasurer

Dorothy K.T. Law
Vice-President, Legal and
Corporate Secretary

Randy Willardsen
Senior Vice-President, Process

This Annual Report contains forward-looking statements that relate to, among other things, plans and timing for the introduction or enhancement of our products, statements about future market conditions, supply and demand conditions, and other expectations, intentions and plans that are not historical fact. Our expectations regarding the prospect for future success depend upon our ability to develop and sell products, which we do not produce today and cannot be sold without further research and development. They are subject to a number of risks and uncertainties that are difficult to control or predict. Therefore, actual outcomes and results may differ materially from those expressed in these forward-looking statements. Readers, therefore, should not place undue reliance on such forward-looking statements. Further, a forward-looking statement speaks only as of the date on which such statement is made. The Company undertakes no obligation to publicly update any such statement, to reflect new information or the occurrence of future events or circumstances.



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