FERONIA INC.
INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS
QUARTERLY HIGHLIGHTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2018

August 29, 2018

This Management's Discussion and Analysis ("MD&A") has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This MD&A should be read in conjunction with the unaudited consolidated financial statements and accompanying notes for the three months and six months ended June 30, 2018 of Feronia Inc. ("Feronia" or the "Company").

Throughout this MD&A, unless otherwise specified, "Feronia", the "Company", "we", "us" or "our" refer to Feronia Inc. and its subsidiaries. All amounts are expressed in U.S. dollars ($) unless otherwise stated and have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

Additional information relating to the Company may be found at www.sedar.com

BUSINESS OVERVIEW

Feronia is an agribusiness operating in the Democratic Republic of the Congo (the "DRC").

At the heart of Feronia lies a long established palm oil business, Plantations et Huileries du Congo S.A ("PHC"), a company incorporated under the laws of the DRC, which has three remotely located plantations; Lokutu, Yaligimba and Boteka. Feronia acquired its interest in PHC from Unilever in 2009 and owns 83.37% of PHC's shares, with the remaining 16.63% owned by the DRC government through its Ministry of Portfolio.

Since acquiring PHC, Feronia has been focussed on rebuilding the business and creating a profitable and financially sustainable business which will provide a secure future for the thousands of people it directly and indirectly employs. This process has included the rehabilitation of palm oil mills at the Lokutu and Boteka plantations, the construction of a new palm oil mill at the Yaligimba plantation, the installation of new fibre boilers at all three mills and extensive replanting.

Feronia's plantations produce crude palm oil ("CPO") and palm kernel oil ("PKO"). CPO is part of the staple and traditional diet of the Congolese and, with Feronia's products being sold locally in the DRC, the Company is well placed to help decrease reliance on imports and increase food security and quality in the DRC.

Feronia prides itself on being the guardian of its palm oil business which was established more than 100 years ago, as well as its employees, communities, and environment. It has made a long term commitment to improve the living and working environment of its employees and their communities and is committed to sustainable agriculture,

environmental protection and community inclusion. Feronia has in place a Sustainability Strategy which is focused on implementing environmental and social best practice and improving social infrastructure.

Feronia is working towards certification by the Roundtable for Sustainable Palm Oil and is implementing IFC/World Bank standards for environmental and social sustainability. Feronia's oil palm replanting programme is brownfield in nature – replacing old palms with new – and has no reliance on deforestation.

Feronia previously had an arable farming operation which grew and processed rice. The Company has discontinued the arable farming operations and is in the process of disposing of the related assets.

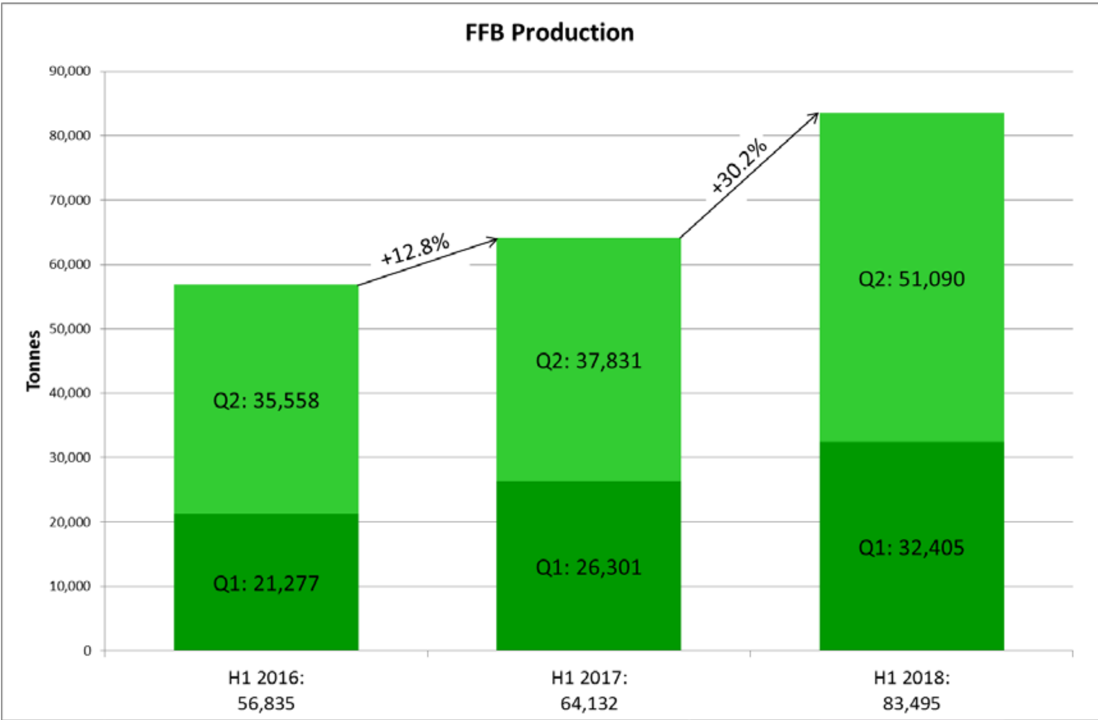
OPERATIONS - BUSINESS PERFORMANCE

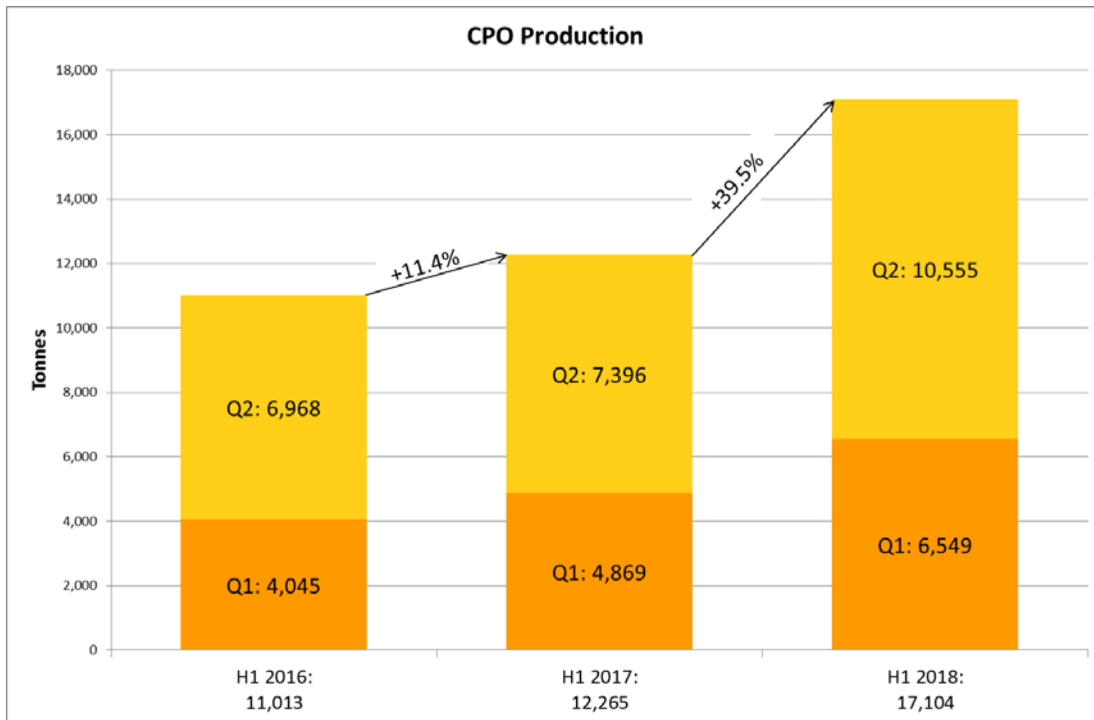
Q2 and H1 2018 performance and recent developments

For the three months ended June 30, 2018 ("Q2 2018"), the Company processed 51,090 tonnes of fresh fruit bunches ("FFB") and produced 10,555 tonnes of CPO, representing increases in production from Q2 2017 of 35.02% and 42.7% respectively.

For the six months ended June 30, 2018 ("H1 2018"), the Company processed 83,495 tonnes of FFB and produced 17,104 tonnes of CPO, representing increases in production from H1 2017 of 30.2% and 39.5% respectively.

The following charts and tables show key data relating to PHC's operations for Q2 and H1 2018:





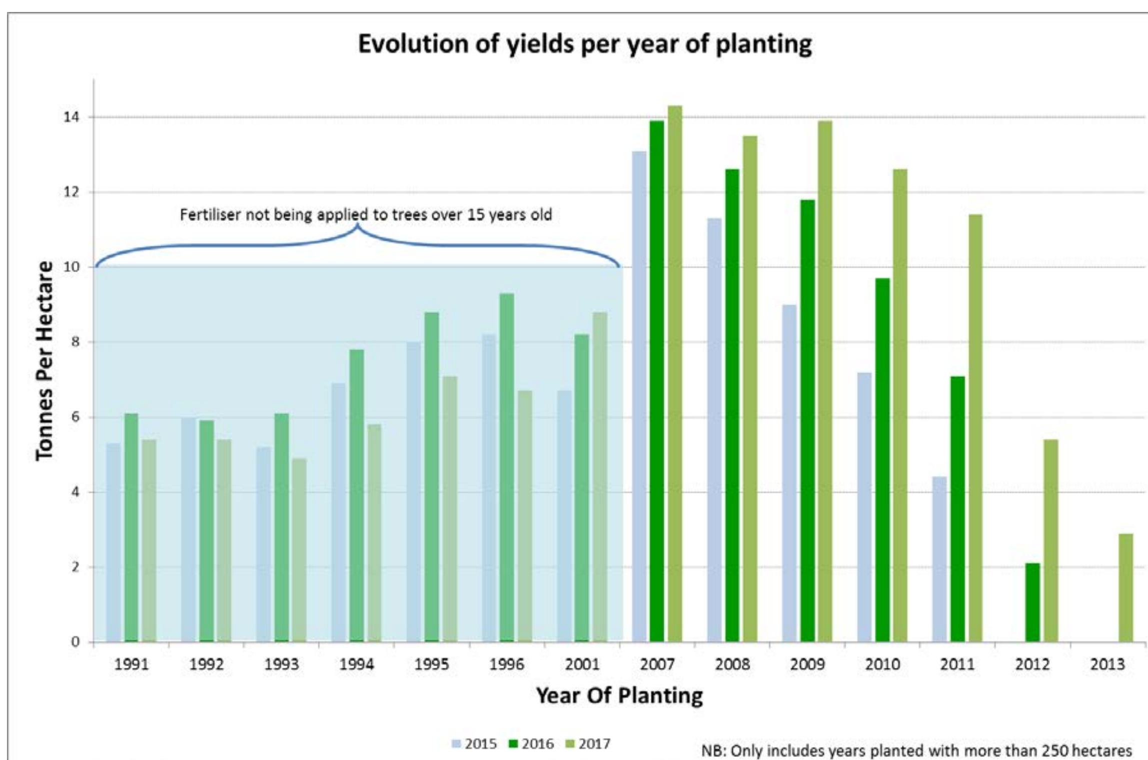
The year-on-year increase in FFB production for both Q2 2018 and H1 2018 is largely the result of the maturing of oil palms planted by the Company since 2010 with yields increasing as a consequence, along with improved plantation management. The increase in CPO production for both Q2 2018 and H1 2018 is the result of an increase in the amount of FFB processed during the quarter and improved oil extraction rate ("OER") being achieved following the commissioning of new fibre boilers at Lokutu and Yaligimba in 2017. The OER for Q2 2018 was 20.7% (Q2 2017: 19.6%) and for H1 2018 was 20.5% (H1 2017: 19.1%).

During the first week of July 2018, the new fibre boiler and turbine at Boteka became operational. As is the case with the new fibre boiler and turbine at Yaligimba, which was commissioned in Q4 2017, the Boteka installation is performing well and achieving an oil extraction rate ahead of forecast. At Lokutu, technical issues with the boiler and turbine are being addressed and are expected to be completed towards the end of Q3 2018. The Company is also progressing with the construction of a second palm oil mill at its Lokutu plantation. The new palm oil mill, which is being built on the site of a long closed palm oil mill at Lukomete, is expected to be operational in the second half of 2019. Subject to ongoing improvements in operational practices being implemented, the Company expects to achieve an OER similar to those achieved through best practices in Africa in the medium term.

The following table shows PHC's plantation profile as at June 30, 2018:

	Total as at June 30		
	2016	2017	**2018**
Plantations (Hectares)			
Immature			
Year 0	-	-	**-**
Year 1	3,763	-	**-**
Year 2	3,739	3,763	**-**
Year 3	2,875	3,739	**3,763**
	10,377	7,502	**3,763**
Producing			
New mature (4-5 years)	6,034	6,799	**6,614**
Young mature (6-9 years)	3,941	5,293	**7,774**
Mature (10-19 years)	604	1,362	**2,805**
Old (20-25 years)	3,692	3,227	**2,546**
	14,271	16,681	**19,739**
Total Planted	24,648	24,183	**23,502**

The net year-on-year increase in producing hectares between Q2 2017 and Q2 2018 of 3,058 ha is the result of 3,739 ha of young oil palms coming into production in Q1 2018 and 681 ha of old oil palms being removed from production.



With production largely driven by the yields achieved by our producing hectares, regular fertilizer application facilitated by the DFI Debt Facility (as defined below) has generated year-on-year yield increases, especially among young mature oil palms, as illustrated in the chart above. With the full effect of fertilizer not typically materializing for up to 36 months after application, and with yields expected to increase as young mature oil palms grow and move into their prime mature production stage at between 10and 19 years old, we expect production levels and FFB yield per hectare to continue to increase on a year-on-year basis over the coming years.

As yield per hectare figures are calculated using the volume of FFB processed and are not an indication of the volume of FFB produced by oil palms, any inability to harvest or processing restrictions will have an adverse impact on reported average FFB calculations.

Average yields per hectare are also further skewed by:

1. 14,388 ha of oil palms, representing 72.9% of producing hectares, being low yielding, new mature and young mature oil palms in the age range 4 – 9 years old; and
2. nutrient deficiencies at Boteka where fertilizer and ground limestone have been applied to correct the deficiencies and, combined with a normal course of fertilizer and soil maintenance regime, are anticipated to result in yield improvements in the medium term.

As young oil palms mature over the short term, average yields per hectare are expected to increase accordingly and move towards those achieved elsewhere in Africa.

Sustainability

Feronia is the largest agro-industrial employer in the DRC with more than 8,000 permanent and temporary employees on a full time equivalent basis, all in regions of the country with few other significant sources of formal employment and 46 employees in Kinshasa. When the families of these workers are taken into account, Feronia directly supports the livelihoods of an estimated 50,000-70,000 people.

Environmental, Social and Governance ("ESG") are a central pillar of Feronia's operations. Its ESG activities are subject to considerable and regular internal and external review, audit and scrutiny and are undertaken in accordance with globally recognised social and environmental performance standards. Feronia has a stated commitment to transparency and engagement and is ready and willing to engage with any party seeking to learn more about it and the value it adds to the DRC economy directly through the employment it provides, the taxes that it pays, and the investment it is making in infrastructure in the regions where it operates.

In July 2018 the Company published its second Sustainability Report which, along with further information on Feronia's approach to sustainability, can be found on the Company's website at www.feronia.com/sustainability.

FINANCIAL PERFORMANCE – Three and six months ended June 30, 2018

Operating Profit (Loss)

Expressed in thousands of US dollars	Three months ended June 30			Six months ended June 30		
	2018	2017	% Change	**2018**	2017	% Change
Revenue[(1)]	**7,565**	5,880	29%	**12,989**	8,185	59%
Cost of sales[(1)]	**(6,723)**	(4,714)	43%	**(11,406)**	(7,913)	44%
Gross income	**842**	1,166	(28%)	**1,582**	272	482%

Expenses						
Selling, general and administrative	**(2,776)**	(2,462)	13%	**(6,214)**	(4,722)	32%
Other income	**137**	1,904	(93%)	**361**	176	104%
Gain on biological assets	**94**	0	100%	**338**	0	100%
Operating profit (loss)	**(1,703)**	608	(380)%	**(3,933)**	(4,274)	(8%)

Note:

(1) The costs of transporting oil to customers, which was previously netted-off against revenue, have now been moved to cost of sales. The impact for Q2 2018 was an increase to both revenue and cost of sales of $446,540 (Q2 2017: $156,202) and the impact for H1 2018 was an increase to both revenue and cost of sales of $604,611 (H1 2017: $325,073).

Total revenues for Q2 2018 were $7,565,000, an increase of $1,685,000 or 29% on revenues for Q2 2017 of $5,880,000. The increase in revenue can largely be attributed to:

- CPO sales of $6,881,000 (Q2 2017: $5,283,000), made up of:
  - 8,780 tonnes of CPO sold in Q2 2018, being a 28% increase on the volume sold in Q2 2017 (Q2 2017: 6,842 tonnes); and
  - an average CPO price achieved in the quarter of $784 per tonne which, on a like for like basis, was in line with the price achieved in Q2 2017; along with
- a 61% increase in PKO sales to $593,000 in Q2 2018 (Q2 2017: $368,000) representing 8% of total revenue for the quarter.

Total revenues for H1 2018 were $12,989,000, an increase of $5,408,000 or 59% on revenues for Q2 2017 of $8,185,000. The increase in revenue can largely be attributed to:

- CPO sales of $11,981,000 (H1 2017: $7,193,000), made up of:
  - 15,351 tonnes of CPO sold in H1 2018, being a 66% increase on the volume sold in H1 2017 (H1 2017: 9,264 tonnes); and
  - an average CPO price achieved in the period of $780 per tonne which, on a like for like basis, was in line with the price achieved in H1 2017; along with
- a 28% increase in PKO sales to $795,000 in H1 2018 (H1 2017: $620,000) representing 6% of total revenue for the quarter.

Cost of sales for Q2 2018 was $6,723,000 (Q2 2017: $4,714,000), an increase of $2,009,000 or 43%. The increase was largely due to:

- a 28% increase in volumes of CPO sold;
- a $437,000 increase in amortization arising from the purchase and installation of new plant and equipment including new boilers and turbines;
- a $1,146,000 increase in fertilizer application; offset by
- a reduction in the cost of production per tonne of CPO due to economies of scale with production levels up 43% when compared to Q2 2017.

Cost of sales for H1 2018 was $11,406,000 (H1 2017: $7,913,000), an increase of $3,493,000 or 44%. The increase was largely due to:

- a 66% increase in volumes of CPO sold;
- a $854,000 increase in amortization arising from the purchase and installation of new plant and equipment including new boilers and turbines; and
- a $931,000 increase in fertilizer application; offset by
- a reduction in the cost of production per tonne of CPO due to economies of scale with production levels up 39% when compared to H1 2017.

Selling, general and administrative costs for Q2 2018 of $2,776,000 were $314,000 or 13% higher than in Q2 2017 (Q2 2017: $2,462,000). This was largely due to:

- a $286,000 increase in salary related costs due to pay rises and recruitment;
- an increase in plantation security costs of $165,000;
- a $227,000 increase in DRC travel costs; and
- an increase in retirement provisions of $218,000; offset by
- a $346,000 decrease in share based payment charges.

Selling, general and administrative costs for H1 2018 of $6,214,000 were $1,492,000, or 32% higher than in H1 2017 (H1 2017: $4,722,000). This was largely due to:

- a $722,000 increase in salary related costs due to pay rises and recruitment;
- an increase in plantation security costs of $165,000;
- a $244,000 increase in DRC travel costs; and
- an increase in retirement provisions of $141,000; offset by
- a $143,000 decrease in share based payment charges.

Other income is largely a result of foreign exchange gains which arose from movements in exchange rates between the U.S. dollar, Congolese Franc and British Pound. In Q2 2018, other income was $137,000 (Q2 2017 other income: $1,904,000). In H1 2018, other income was $361,000 (H1 2017 other income: $176,000).

Gain on Biological Assets and Planting Costs

The quantity of the fruit on the oil palms is estimated to equate to one week's harvest based on the production of the preceding three months. This is then converted to CPO using the current OER and the value is then calculated by multiplying the quantity of CPO by the average selling price less costs of production.

Gain on biological assets for Q2 2018 was $94,000 (Q2 2017: nil) and for H1 2018 was $338,000 (H1 2017: nil). This relates to the value of the CPO contained in the estimated ripe FFB on the oil palms as at June 30, 2018 and which would be harvestable in the first week of July 2018.

While the young age profile of oil palms across the plantations means that yields are currently low, with economies of scale now starting to be achieved, the cost of production has begun to reduce and is lower than the achieved selling price for CPO. As a result, the first time a value was attributable to the fruit on the oil palms was at December 31, 2017.

Operating loss for Q2 2018 was $1,703,000 a decrease of $2,311,000 or 380% on the operating profit for Q2 2017 of $608,000.

Operating loss for H1 2018 was $3,933,000 a decrease of $340,000 or 8% on the operating loss for H1 2017 of $4,274,000.

The Company has replanted 17,438 ha of new oil palms since 2010 of which 13,675 ha, or 78%, were producing in Q2 2018. These oil palms are currently low yielding, new mature and young mature oil palms in the age range of 4 – 9 years.

Young oil palms have a negative contribution to operating results, impact all key operating metrics, including cost of goods sold, and are a key factor in the current low margins.

However, the portfolio of immature and young palms replanted since 2010 is the Company's core asset and the losses are expected to reverse as the oil palms mature and their yields increase.

The Company's cost of production on a per tonne basis is already declining and it is expected that, over time, it will decline substantially. Achieving this remains a key objective of the Company.

Finance Income and Costs

(Expressed in thousands of US dollars)	**Three months ended June 30**			**Six months ended June 30**		
	2018	**2017**	**% Change**	**2018**	**2017**	**% Change**
Finance Costs	**(2,194)**	(988)	122%	**(3,479)**	(1,754)	98%
Finance /Income/(Cost)	**(222)**	-	-	**2,566**	-	-

Finance costs relate to the interest on debentures and the Company's secured term facility ("DFI Debt Facility"). The increase in costs in Q2 2018 and H1 2018 compared to the same period in the prior year is due to the increase in funds drawn down on the DFI Facility.

Finance income/(cost) relates to gains or losses on the revaluation of derivatives embedded in convertible debentures.

Net Loss

(Expressed in thousands of US dollars)	**Three months ended June 30**			**Six months ended June 30**		
	2018	**2017**	**% change**	**2018**	**2017**	**% change**
Net loss	**(4,323)**	(494)	776%	**(5,240)**	(6,305)	(17%)

Net losses for Q2 2018 were $4,323,000, an increase of $3,830,000 compared to the loss in Q2 2017 of $494,000. This is the result of an increase in operating losses of $2,310,000 (which is largely due to a reduction in other income of $1,767,000 arising from foreign exchange rate movements together with an increase in SG&A costs of $314,000) and an increase in finance costs of $1,205,000 and increase in finance loss of $222,000.

Net losses for H1 2018 were $5,240,000, a decrease of $1,065,000 compared to the loss in H1 2017 of $6,305,000. This is largely the result of a decrease in operating losses of $340,000 and an increase in finance income of $2,566,000, offset by an increase in finance costs of $1,725,000.

Net Loss Attributable to Owners of the Parent

The net loss attributable to the Company for Q2 2018 was $3,558,000 (Q2 2017: $643,000) which is equivalent to $0.007 per share (Q2 2017 loss per share: $0.002).

The net loss attributable to the Company for H1 2018 was $3,891,000 (H1 2017: $5,542,000) which is equivalent to $0.008 per share (H1 2017 loss per share: $0.015).

Net Loss Attributable to Non-controlling Interests

The net loss attributable to non-controlling interests for Q2 2018 was $765,000 (Q2 2017 net profit: $150,000) which represent the share of losses attributable to the 16.63% and 20% holdings in PHC and Feronia's arable business respectively.

The net loss attributable to non-controlling interests for H1 2018 was $1,349,000 (H1 2017: $762,000) which represent the share of losses attributable to the 16.63% and 20% holdings in PHC and Feronia's arable business respectively.

COMPARISON OF FINANCIAL CONDITION

The following table provides a comparison of the Company's financial condition as at June 30, 2018 compared to December 31, 2017:

(Expressed in thousands of US dollars)	**June 30 2018**	**December 31 2017**	% Change
Total current assets	**24,718**	**26,176**	(6%)
Total current liabilities	**61,754**	**65,061**	(5%)
Net current liabilities	**(37,036)**	**(38,885)**	(5%)
Total shareholder's equity	**30,539**	**27,063**	13%

The changes in financial condition largely reflect funds received pursuant to the second tranche of the Private Placement (as defined below), which closed on January 19, 2018.

CASHFLOWS AND LIQUIDITY

The cash balance net of overdraft facility as at June 30, 2018 was $10,296,000 compared to $17,141,000 as at December 31, 2017. The decrease in the cash balance of $6,845,000 was a result of net cash inflows from financing activities of $8,500,000, offset by an increase in working capital of $3,244,000, a net cash loss from operations (excluding non-cash items) of $6,068,000, a foreign exchange loss on currency transactions of $45,000 and capital expenditures of $5,988,000.

The net cash inflows from financing activities relate to $8,500,000 received under a subscription agreement for the private placement (the "Private Placement") of $17.5 million of common shares in the capital of the Company ("Common Shares") by Straight KKM 2 Limited at a price of Cdn.$0.18 per Common Share (see below under "Liquidity and Capital Resources").

The increase in working capital during H1 2018 of $3,244,000 (increase in H1 2017: $1,999,000) represents an increase in inventory of $2,772,000 and an increase in prepayments of $1,437,000, partially offset by a decrease in accounts receivable of $665,000 and a increase in accounts payable and accrued liabilities of $301,000.

Investing activities in H1 2018 resulted in cash outflows of $5,988,000 (H1 2017: $8,131,000).

LIQUIDITY AND CAPITAL RESOURCES

The Company recorded net cash outflows in operations and investing activities for Q2 2018.

On December 21, 2015, PHC entered into the DFI Debt Facility, a secured term facility agreement for up to $49 million with a syndicate of European Development Finance Institutions. The amount advanced under the DFI Debt Facility is to be repaid semi-annually over a six year period commencing September 2019. The DFI Debt Facility is subject to covenants, pledges and charges typical of a loan facility of this nature and is secured by way of a first ranking security against the assets of PHC and by way of a pledge of the shares of PHC by a Belgian subsidiary of Feronia.

The purpose of the DFI Debt Facility is to finance investment into equipment, replanting, fertilizer and ESG expenditures required as part of the rehabilitation of PHC's three palm oil plantations in the DRC.

On April 13, 2016, all conditions precedent were satisfied to facilitate a first drawdown of $15 million from the DFI Debt Facility; on February 11, 2017 all conditions precedent were satisfied to facilitate the second drawdown of $10 million; on June 9, 2017 all conditions precedent were satisfied to facilitate the third drawdown of $10 million; and on September 25, 2017 all conditions precedent were satisfied to facilitate the fourth and final drawdown of $14 million.

On July 19, 2017, the Company obtained the consent by extraordinary resolution of the holders of its 2012 debentures (the "2012 Debentures") to certain amendments to the trust indenture entered into between the Company and TSX Trust dated July 24, 2012, as amended and supplemented from time to time. The amendments include reducing the conversion price of the 2012 Debentures from Cdn.$1.75 per share to Cdn.$0.275 per share and extending the maturity date from July 24, 2017 to July 24, 2022.

On September 25, 2017, the Company entered into a subscription agreement for the Private Placement. The Company closed the first $9 million tranche of the Private Placement on October 16, 2017 and a second tranche of $8.5 million on January 19, 2018. Based on a fixed exchange rate of Cdn.$1.253 per $1.00 as set out in the applicable subscription agreement, the Company has issued a total of 121,819,444 Common Shares to Straight KKM 2 Limited. A $4 million bridge loan advanced to the Company by the majority shareholder of Straight KKM 2 Limited was applied towards the subscription amount for the first tranche.

On June 21, 2018, the Company entered into a new ESG loan facility ("New ESG Loan") with CDC Group plc ("CDC") in the amount of US$5,141,182. The proceeds from the New ESG Loan were used to repay all obligations of the Company under the existing ESG Loan which was first provided to the Company in November 2013 by CDC, as lender, to support the implementation of an environmental and social action plan designed to strengthen the Company's environmental and social standards and to enhance community facilities.

The New ESG Loan is an unsecured non-revolving term loan at an annual interest rate of 12% maturing July 24, 2022 and is convertible into common shares in the capital of the Corporation ("Common Shares") at a conversion price of $0.275 per Common Share. The Common Shares issuable upon the conversion of the New ESG Loan are subject to a statutory four month and a day hold period from the date of the New ESG Loan in accordance

with applicable securities legislation. The execution of the New ESG Loan and the issuance of the underlying Common Shares are subject to the approval of the TSX Venture Exchange.

At June 30, 2018, the Company classified the DFI Debt Facility of $47.5 million (December 31, 2017: $47.5 million) as a current liability, as a result of the breach of the equity solvency ratio which was largely due to the decrease in value of Congolese Franc towards the end of 2016. The underlying performance of the business has not been adversely affected by the devaluation as the Company sells its products in US dollars and the performance of the underlying assets are not impacted. It is management's view that the DFI Debt Facility providers are unlikely to enforce their right to demand repayment of the facility.

As at the date of this MD&A, the Company had 483,716,469 Common Shares issued and outstanding. Assuming the exercise or conversion of all of the outstanding debentures, options, deferred share units and principal amount and interest under the New ESG Loan Facility, an aggregate of 543,187,419 Common Shares will be issued and outstanding on a fully diluted basis.

OUTLOOK

With production largely driven by the yields achieved by our producing hectares, regular fertilizer application facilitated through the DFI Debt Facility is already generating year-on-year yield increases, especially among young mature oil palms in the 4 – 9 year age range which have been planted since 2010. With the full effect of fertilizer not typically materializing for up to 36 months after application, and with yields expected to increase as young mature oil palms grow and move into their prime mature production stage at between 10 and 19 years old, we expect production levels to continue to increase on a year-on-year basis over the coming years.

Securing the DFI Debt Facility and satisfying the conditions to draw down the full facility were important developments for the Company. The DFI Debt Facility is in place to finance investment into equipment, replanting, fertilizer and ESG expenditures and, as such, is enabling the Company to drive value creation through the yield gains achieved through the application of fertilizer and an increase in capacity and efficiency in its production process through on-going improvements and investments, such as its new fibre boilers.

As at June 30, 2018, and the date of this MD&A, the Company is in breach of the DFI Debt Facility's equity solvency ratio, largely due to the decrease in value of Congolese Franc towards the end of 2016. The Company has received waivers in the past and has not received written notice from the lenders that they will accelerate repayment of the DFI Debt Facility.

The key objectives of the Company for the remainder of 2018 are to improve operational performance and realize efficiencies through the continued implementation of best practices, fertilizer application and appropriate capital investments.

RISKS AND UNCERTAINTIES

The Company is subject to various business, financial and operational risks that could materially adversely affect the Company's future business, operations and financial condition and could cause such future business, operations and financial condition to differ materially from the forward-looking statements and information contained in this MD&A. For

a more comprehensive discussion of the risks faced by the Company, please refer to the Company's annual management's discussion and analysis for the year ended December 31, 2017, available at www.sedar.com

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute "forward-looking statements". All statements other than statements of historical fact contained in this MD&A, including, without limitation, those regarding the Company's future financial position and results of operations, strategy, plans, objectives, goals and targets, future developments in the markets where the Company participates or is seeking to participate and any statements preceded by, followed by or that include the words "believe", "expect", "aim", "intend", "plan", "continue", "will", "may", "would", "anticipate", "estimate", "forecast", "predict", "project", "seek", "should" or similar expressions or the negative thereof, are forward-looking statements. These statements are not historical facts but instead represent only the Company's expectations, estimates and projections regarding future events. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, the risk factors discussed herein under the section heading "Risks and Uncertainties". Management provides forward-looking statements because it believes they provide useful information to readers when considering their investment objectives and cautions readers that the information may not be appropriate for other purposes. Consequently, all of the forward-looking statements made in this MD&A are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Company. These forward-looking statements are made as of the date of this MD&A and the Company assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise, except as required by law.

The forward-looking statements in this MD&A are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future, including assumptions regarding expected crop yields, commodity prices, business and operating strategies, and the Company's ability to operate its production facilities and plantations on a profitable basis.

Some of the risks which could affect future results and would cause results to differ materially from those expressed in the forward-looking statements contained herein include: risks related to foreign operations (including various political, economic and other risks and uncertainties), the interpretation and implementation of the Agriculture Law, termination or non-renewal of concession rights or expropriation of property rights, political instability and bureaucracy, limited operating history, lack of profitability, lack of national infrastructure in the DRC, high inflation rates, limited availability of debt financing in the DRC, fluctuations in currency exchange rates, competition from other businesses, reliance on various factors (including local labour, importation of machinery and other key items and business relationships), the Company's reliance on two major customers, lower productivity at the Company's plantations, risks related to the agricultural industry (including adverse weather conditions, shifting weather patterns, and crop failure due to infestations), a shift in

commodity trends and demands, vulnerability to fluctuations in the world market, the lack of availability of qualified management personnel and stock market volatility.