FERONIA INC.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2010

(Expressed in United States Dollars)

Unaudited

Note to Reader:

The accompanying unaudited interim financial statements of Feronia Inc. (the “Company”) have been prepared by and are the responsibility of the Company’s management. The Company’s independent auditor has not performed a review of these financial statements.

FERONIA INC.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2010

(Expressed in United States Dollars)

Unaudited

FERONIA INC.

UNAUDITED INTERIM CONSOLIDATED BALANCE SHEET
AS AT SEPTEMBER 30, 2010 AND DECEMBER 31, 2009
(Expressed in United States Dollars)

	September 30, 2010 $	December 31, 2009 $
ASSETS		
CURRENT		
Cash	14,669,222	477,617
Accounts receivable	32,923	417,480
Prepaid expenses and deposits	265,839	280,788
Inventory (Note 3)	995,221	817,670
	15,963,205	1,993,555
PROPERTY AND EQUIPMENT (Note 4)	9,551,697	6,223,702
	25,514,902	8,217,257
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	4,686,597	2,926,725
Employee incentive liability	154,025	269,385
	4,840,622	3,196,110
EMPLOYEE INCENTIVE LIABILITY	7,948,262	7,488,115
FUTURE TAX LIABILITY	837,835	837,835
	13,626,719	11,522,060
SHAREHOLDERS' EQUITY (DEFICIENCY)		
CAPITAL STOCK (Notes 6 (a) and (b))	27,255,160	3,498,024
CONTRIBUTED SURPLUS (Note 6 (c))	978,191	4,590,277
WARRANTS (Note 6 (e))	3,056,649	-
DEFICIT	(19,401,817)	(11,393,104)
	11,888,183	(3,304,803)
	25,514,902	8,217,257

COMMITMENTS AND CONTINGENCIES (Note 8)

APPROVED ON BEHALF OF THE BOARD

"Ravi Sood", Director

"James Siggs", Director

See accompanying notes to the interim consolidated financial statements.

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS, COMPREHENSIVE LOSS AND DEFICIT

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2010 AND 2009

(Expressed in United States Dollars)

	Three months ended September 30, 2010 $	Three months ended September 30, 2009 $	Nine months ended September 30, 2010 $	Nine months ended September 30, 2009 $
REVENUE	1,290,793	359,734	3,027,263	359,734
COST OF SALES	1,366,622	294,616	2,798,455	294,616
GROSS MARGIN	(75,829)	65,118	228,808	65,118
EXPENSES				
General and operating expenses	888,451	461,460	2,556,078	876,320
Stock-based compensation	270,029	-	978,191	-
Salaries and wages	219,542	48,387	757,801	48,387
Professional fees	404,136	170,409	735,444	264,509
Foreign exchange loss	84,080	(169,966)	99,166	(198,527)
Interest and bank charges	11,770	1,437	87,913	2,462
Interest received	(23,961)	-	(23,961)	-
Other operating (income)	(18,136)	9,261	(257,516)	9,261
Amortization	37,510	8,420	112,542	8,726
	1,873,421	529,408	5,045,658	1,011,138
Loss before the under-noted	1,949,250	464,290	4,816,850	946,020
Excess of purchase price over fair value of assets acquired	-	10,569,288	-	10,569,288
Costs for capital transactions	1,395,331	-	1,395,331	-
Foreign exchange loss from currency translation	(520,578)	(10,525)	(120,258)	(10,525)
Loss before income tax	2,824,003	11,023,053	6,091,923	11,504,783
Income tax	165,898	1,178	297,823	1,178
NET LOSS FOR THE PERIOD	2,989,901	11,024,231	6,389,746	11,505,961
Deficit, beginning of period	14,792,949	1,002,553	11,393,104	520,823
Excess of the value of shares issued in exchange for land	1,618,967	-	1,618,967	-
Deficit, end of period	19,401,817	12,026,784	19,401,817	12,026,784
NET LOSS PER SHARE - basic and diluted	0.05	1.10	0.10	1.23
WEIGHTED AVERAGE NUMBER OF SHARES	57,580,613	10,019,077	65,136,085	9,389,035

See accompanying notes to the unaudited interim consolidated financial statements.

FERONIA INC.

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2010 AND 2009

(Expressed in United States Dollars)

	Three months ended September 30, 2010 $	Three months ended September 30, 2009 $	Nine months ended September 30, 2010 $	Nine months ended September 30, 2009 $
CASH FLOWS USED IN OPERATING ACTIVITIES:				
Net (loss) for the period	(2,989,901)	(11,024,231)	(6,389,746)	(11,505,961)
Charges not involving cash:				
Write off excess of purchase price over fair value of assets acquired	-	10,569,288	-	10,569,288
Stock-based compensation	270,029	-	978,191	-
Unrealized gain on foreign exchange	(520,578)	(10,525)	(120,258)	(10,525)
Accrued interest	(1)	20,776	38,794	20,776
Unrealized foreign exchange loss on exchange of loan for shares	75,159	-	75,159	-
Value of shares issued for services	49,000	-	49,000	-
Amortization	37,510	8,420	112,542	8,726
	(3,078,782)	(436,272)	(5,256,318)	(917,696)
Changes in non-cash working capital balances:				
Decrease / (increase) in accounts receivable	68,817	(2,234)	384,557	(2,234)
Decrease / (increase) in prepaid expenses and deposits	267,609	(16,632)	14,950	(8,590)
Decrease / (increase) in inventory	333,887	(140,382)	(177,551)	(140,382)
Increase / (decrease) in employee incentive liability	(181,676)	-	344,787	-
Increase / (decrease) in accounts payable and accrued liabilities	(429,015)	140,445	1,759,872	222,930
Cash flows used in operating activities	(3,019,160)	(455,075)	(2,929,703)	(845,972)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from loans (Note 5)	-	3,826,761	1,126,775	3,912,919
Proceeds from promissory notes (Note 5)	-	-	3,272,481	-
Repayment of loans	(126,775)	(684,055)	(126,775)	(684,055)
Issuance of shares for cash (Note 6 (b))	16,789,923	3,897,952	16,827,706	3,994,182
Broker costs (Note 6 (b)	(990,517)	-	(1,263,218)	-
Cash flows from financing activities	15,672,631	7,040,658	19,836,969	7,223,046
CASH FLOWS FROM INVESTING ACTIVITIES:				
Acquisition of PHC, net of cash acquired	-	(3,783,818)	-	(3,783,818)
Purchase of property and equipment	(1,425,418)	(148,783)	(2,835,919)	(149,911)
Cash flows from investing activities	(1,425,418)	(3,932,601)	(2,835,919)	(3,933,729)
Effect of foreign exchange on cash balances	520,578	10,525	120,258	10,525
Increase in cash	11,748,631	2,663,507	14,191,605	2,453,870
Cash, beginning of period	2,920,591	147,205	477,617	356,842
Cash, end of period	14,669,222	2,810,712	14,669,222	2,810,712
Interest paid	49,118	-	49,118	-
Income taxes paid	-	-	115,029	-
Shares issued in exchange of non controlling interest and assets (Note 6(b) (ii))	-	-	2,223,586	-
Shares issued in settlement of loans (Note 6(b) (iv) and (v))	4,386,434	-	4,386,434	-

See accompanying notes to the unaudited interim consolidated financial statements.

1. NATURE OF OPERATIONS

Feronia Inc. (the "Company") operates through its subsidiaries in the business of producing palm oil and palm kernel oil in the Democratic Republic of Congo.

Feronia CI Inc. ("Feronia CI") was incorporated as "Feronia Inc." under the laws of the Cayman Islands by Memorandum and Articles of Association dated July 30, 2008.

The subsidiaries of Feronia CI, being Feronia JCA Limited and Feronia PHC Limited, were also incorporated under the laws of the Cayman Islands by Memorandum and Articles of Association dated June 5, 2009 and August 7, 2009 respectively. The subsidiaries acquired Plantations Et Huileries Du Congo S.C.A.R.L. ("PHC"), a private company incorporated under the laws of the Democratic Republic of Congo on September 3, 2009.

The assets of the Company that are located in the Democratic Republic of Congo are subject to the risk of foreign investment, including increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations, legislative changes and political uncertainty.

On September 9, 2010, G.T.M. Capital Corporation ("GTM"), a company classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange, completed the acquisition of all of the issued and outstanding securities of Feronia CI by way of exchange offer and merger. GTM was incorporated in the state of Wyoming on August 29, 2005, continued to Delaware on May 8, 2007, under Alberta law on March 31, 2008, and under Ontario law on August 18, 2010.

Immediately prior to the closing of the exchange offer, the common shares of GTM (the "Common Shares") were consolidated by a ratio of 3.5:1. As consideration for the acquisition of all of the outstanding securities of Feronia CI, GTM issued one Common Share for each one common share of Feronia CI and one warrant to purchase Common Shares for each one warrant to purchase common shares of Feronia CI.

Pursuant to the merger, Feronia CI changed its name from Feronia Inc. to Feronia CI Inc. On September 7, 2010, GTM changed its legal name to Feronia Inc.

In accordance with CICA EIC-10 the substance of the transaction is a capital transaction and is accounted for as a reverse takeover ("RTO"), with Feronia CI identified as the acquirer. As GTM did not meet the definition of a business, this is a capital transaction in substance. In accordance with reverse take-over accounting, the balance sheet is a continuance of Feronia CI. The comparative figures presented in these consolidated financial statements are those of Feronia CI.

Based on the unaudited September 9, 2010 balance sheet of GTM, the estimated fair market value of the net assets / liabilities that will be combined with Feronia were nil.

Related transaction costs amounting to $1,395,331 have been expensed.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying interim consolidated financial statements are prepared in accordance with Canadian GAAP for interim financial statements. These consolidated financial statements do not include all of the information and disclosures required by Canadian GAAP for the annual financial statements. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these interim consolidated financial statements. Operating results for the period ended September 30, 2010 are not necessarily indicative of the results that may be expected for the full year ended December 31, 2010. For further information, see the Company's audited consolidated financial statements and notes thereto for the year ended December 31, 2009. The same accounting policies and methods of application as the audited consolidated financial statements of the Company for the year ended December 31, 2009 have been followed.

(a) Future accounting changes:

(i) International Financial Reporting Standards ("IFRS"):

In January 2006, the CICA's Accounting Standards Board ("AcSB") formally adopted the strategy of replacing Canadian GAAP with IFRS for Canadian enterprises with public accountability. On February 13, 2008 the AcSB confirmed that the use of IFRS will be required in 2011 for publicly accountable profit-oriented enterprises. For these entities, IFRS will be required for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The Company is currently assessing the impact of IFRS on its consolidated financial statements.

(ii) Business combinations, consolidated financial statements and non-controlling interests:

In January 2009, the CICA issued Section 1582, Business Combinations, Section 1601, Consolidated Financial Statements, and Section 1602, Non-controlling interests, which replace section 1581, Business Combinations and Section 1600, Consolidated Financial Statements. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under International Financial Reporting Standards ("IFRS"). Section 1582 is applicable for business combinations with acquisition dates on or after January 1, 2011. Early adoption of this section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for the Company's interim and annual consolidated financial statements for fiscal years beginning on or after January 1, 2011. Early adoption of this section is permitted. If the Company chooses to early adopt any one of these sections, the other two sections must also be adopted at the same time. The Company is currently assessing the impact of these new accounting standards on its consolidated financial statements.

(iii) Multiple deliverable revenue arrangements

In December 2009, the CICA issued EIC 175 – "Multiple Deliverable Revenue Arrangements" replacing EIC 142 – "Revenue Arrangements with Multiple Deliverables". This abstract was amended to: (1) provide updated guidance on whether multiple deliverables exist, how the deliverables in an arrangement should be separated, and the consideration allocated; (2) require, in situations where a vendor does not have vendor-specific objective evidence ("VSOE") or third-party evidence of selling price, that the entity allocate revenue in an arrangement using estimated selling prices of deliverables; (3) eliminate the use of the residual method and require an entity to allocate revenue using the relative selling price method; and (4) require expanded qualitative and quantitative disclosures regarding significant judgments made in applying this guidance. The accounting changes summarized in EIC 175 are effective for fiscal years beginning on or after January 1, 2011, with early adoption permitted. Adoption may either be on a prospective basis or by retrospective application. If the Abstract is adopted early, in a reporting period that is not the first reporting period in the entity's fiscal year, it must be applied retroactively from the beginning of the company's fiscal period of adoption. The Company expects to adopt EIC 175 effective January 1, 2011.

(Expressed in United States Dollars)

3. INVENTORY

	September 30, 2010 $
(a) Finished goods	852,413
Write-down to net realizable value	(203,514)
	648,899
(b) Materials and supplies	446,430
Write-down to net realizable value	(100,108)
	346,322
Total inventory	995,221

As at September 30, 2010, the Company recorded inventory of $828,818 (2009 - $715,744) at net realizable value and $166,403 (2009 - $101,926) at cost. Included in cost of sales is $2,677,641 (2009 - $294,616) in inventory expensed during the nine months ended September 30, 2010 and $120,814 (2009 - nil) of inventory written down during the same period.

4. PROPERTY AND EQUIPMENT

	September 30, 2010		
	Cost $	Accumulated Amortization $	Net $
Land	2,699,208	-	2,699,208
Buildings held for resale	190,415	-	190,415
Plantations	1,425,469	30,067	1,395,402
Buildings	87,826	4,032	83,794
Materials, furniture and equipment	404,778	75,833	328,945
Motor vehicles	98,703	36,218	62,485
Assets under construction	4,791,448	-	4,791,448
	9,697,847	146,150	9,551,697

5. SHAREHOLDER ADVANCES

On January 26, 2010, a subsidiary of the Company received a loan of $1,000,000 bearing interest at 12% and due in 18 months from a fund managed by a director of the Company. The loan was secured with the assets of PHC. Upon borrowing the $1,000,000, the Company issued 2,000,000 warrants exercisable into common shares at $0.25 per share for a period of two years. On May 25, 2010, the Company assumed the loan and the holder of the loan agreed that, in full satisfaction of the obligations owing under the loan, the $1,000,000 would convert upon the satisfaction of certain release conditions into 2,500,000 common shares and warrants to purchase up to 1,250,000 common shares (see note 6). These conditions were met on September 8, 2010. Interest accrued in the period to May 25, 2010 was $38,795.

(Expressed in United States Dollars)

5. SHAREHOLDER ADVANCES (Continued)

On May 18, 2010, the Company received $3,272,481 (CDN$3,400,000) in gross proceeds from the issuance of unsecured non-interest bearing convertible promissory notes due on October 29, 2010 to companies controlled by a director of the Company. On May 25, 2010, these non-interest bearing convertible promissory notes were converted into 8,500,000 subscription receipts at a price of $0.39 (CDN$0.40) per receipt and subsequently converted into 8,500,000 Common Shares and warrants to purchase up to 4,250,000 Common Shares pursuant to the release conditions that were met on September 8, 2010 (Note 6 (b) (iv)).

In March and April 2010, the Company received loans in the aggregate amount of $126,775 from a significant shareholder. The loans were unsecured, bearing interest at 12% and with no fixed terms of repayment. The Company repaid the loans in their entirety during the period.

6. CAPITAL STOCK

The capital stock is as follows:

(a) Authorized

Unlimited number of common shares.

(b) Issued

	Shares \#	Amount $
Balance, December 31, 2009	35,230,240	3,498,024
Shares issued for cash (i)	347,132	86,783
Adjustment to reflect par value	-	(52,070)
Shares issues pursuant to an exchange in a non controlling interest in a subsidiary (ii)	8,894,344	2,223,586
Adjustment to reflect par value (ii)	-	(1,334,152)
Shares issued pursuant to a private placement (iii)	43,445,024	16,787,923
Adjustment to reflect par value (iii)	-	(10,681,372)
Warrants issued pursuant to a private placement (iii)	-	(2,084,515)
Shares issued pursuant to a private placement (iv)	8,500,000	3,347,640
Adjustment to reflect par value (iv)	-	(2,089,806)
Warrants issued pursuant to a private placement (iv)	-	(407,834)
Shares issued for settlement of a loan (v)	2,500,000	1,038,794
Adjustment to reflect par value (v)		(668,794)
Warrants issued pursuant to a settlement of a loan (v)	-	(120,000)
Share issue costs (vi)	-	(1,263,218)
Share issue broker warrants (vi)	-	(444,300)
Reclassification of share value in excess of par (Note 7(c)(ii))	-	19,416,471
Conversion of GTM shares (vii)	374,000	-
Receipt of share proceeds deferred from December 31, 2009 issue	-	2,000
Balance, September 30, 2010	99,290,740	27,255,160

6. CAPITAL STOCK (Continued)
(b) Issued (continued)

(i) On March 1, 2010, Feronia CI issued 151,132 common shares at a subscription price of $0.25 per share for gross proceeds of $37,783. Feronia CI also issued 196,000 common shares at a subscription price of $0.25 per share to officers of Feronia CI in settlement of amounts owed for services rendered. The par value of $0.10 per share was recorded as share capital and the residual of $0.15 per share is included in contributed surplus. $34,713 is recorded as share capital and $52,070 is recorded in contributed surplus.

(ii) On April 9, 2010, Feronia CI issued 8,894,344 common shares at a price of $0.25 per share at a par value of $0.10 per share in exchange for a 20% non-controlling interest in a subsidiary of Feronia CI held by a company controlled by a director of Feronia CI and land valued at $604,619.

The excess of fair value of the shares over the value of the land of $1,618,967 has been included as an adjustment to deficit.

(iii) On May 25, 2010 and June 4, 2010, Feronia CI completed a brokered private placement whereby Feronia CI issued 43,445,024 subscription receipts at an issuance price of $0.39 (CDN$0.40) per subscription receipt for gross proceeds of $16,787,923 (CDN$17,378,010). Each subscription receipt was converted into one common share of Feronia CI at a par value of $0.10 per share and one half of a warrant. Each whole warrant entitles the holder to acquire one common share at a price of $0.59 (CDN$0.60) for a period of three years. The warrants have been valued at $2,084,515.

(iv) On May 25, 2010, Feronia CI issued 8,500,000 subscription receipts at an issuance price of $0.39 (CDN$0.40) per subscription receipt. Each subscription receipt was converted into one common share of Feronia CI at a par value of $0.10 per share and one half of a warrant. The subscription receipts were issued upon the conversion of $3,347,640 (CDN$3,400,000) in loans which Feronia CI had entered into. The loans were non-interest bearing and unsecured. Each whole warrant entitles the holder to acquire one common share at a price of $0.59 (CDN$0.60) for a period of three years. The warrants have been valued at $407,834.

(v) On May 25, 2010, Feronia CI converted the principal of a loan of $1,000,000 and accrued interest of $38,794 into 2,500,000 common shares of Feronia CI at a par value of $0.10 per share and warrants to purchase up to 1,250,000 common shares at a price of $0.59 (CDN$0.60) per share for a period of three years. The warrants have been valued at $120,000.

(vi) In relation to the transactions described at Note 6(b)(iii), Note 6(b)(iv) and Note 6(b)(v), commissions of $1,263,218, representing 6% of the aggregate gross proceeds from the private placements and loan conversion were paid to brokers. In addition, broker warrants to purchase up to 3,266,701 common shares of Feronia CI representing 6% of the number of shares issuable were issued. Each broker warrant entitles the holder to acquire one common share at a price of $0.39 (CDN$0.40) per share for a period of three years. These broker warrants have been valued at $444,300.

(vii) On September 8, 2010, 374,000 common shares of GTM were exchanged for Common Shares for nil value.

(viii) As consideration for the acquisition of all of the outstanding securities of Feronia CI, GTM issued one Common Share for each one common share of Feronia CI and one warrant to purchase Common Shares for each one warrant to purchase common shares of Feronia CI.

(Expressed in United States Dollars)

6. CAPITAL STOCK (Continued)

(c) Contributed surplus

	Amount $
Balance at December 31, 2009	4,590,277
Share value in excess of par value issued in the period by Feronia CI (i)	14,826,194
Shares issued by Feronia CI with value in excess of cost par value reclassified as share capital (ii)	(19,416,471)
Stock-based compensation	
Employee stock-based compensation (iii)	978,191
Balance at September 30, 2010	978,191

(i) During the period ended September 30, 2010, Feronia CI issued common shares with gross proceeds in excess of par value of $0.10.

(ii) On September 8 and September 9, 2010, the common shares of Feronia CI were exchanged for Common Shares on a one-for-one basis. The Common Shares issued were recorded at gross proceeds and the value in excess of par value of Feronia CI shares has been reclassified as share capital.

(iii) During the period ended September 30, 2010, the Company recorded stock based compensation of $978,191.

(d) Share options

The Company has a stock option plan available to its directors, officers, employees, and consultants under which the Company may grant options to acquire a maximum of 12,500,000 Common Shares.

On March 10, 2010, stock options to purchase up to 7,400,000 common shares were granted to directors, officers and employees of Feronia CI. 2,451,667 stock options vested on March 10, 2010, 2,451,667 stock options vest one year after they were granted and 2,496,666 stock options vest two years after the date they were granted. The options expire 10 years after the date they were granted.

On August 3, 2010, following the resignation of an employee, 500,000 stock options held by such employee vested immediately and the expiry term of such options was reduced to March 10, 2016.

On September 9, 2010, stock options to purchase up to 500,000 common shares were granted to an officer of the Company. 166,667 stock options vested on September 9, 2010, 166,666 stock options vest one year after the date they were granted and 166,667 stock options vest two years after the date they were granted. The options expire 10 years after the date they were granted.

On September 9, 2010, the options outstanding to purchase common shares of Feronia CI were exchanged for options to purchase Common Shares on a one-for-one basis.

On September 23, 2010, stock options to purchase up to 1,006,528 Common Shares were granted to directors, officers and employees of the Company. 251,632 stock options vested on September 23, 2010, 251,632 stock options vest after December 31, 2010, 251,632 stock options vest after March 31, 2011 and 251,632 stock options vest after June 30, 2011. The options expire 10 years after the date they were granted.

(Expressed in United States Dollars)

6. CAPITAL STOCK (Continued)
(d) Share options (continued)

As at September 30, 2010, the Company had the following outstanding options to purchase Common Shares:

Expiry Date	Options Granted	Options Exercisable	Weighted Average Exercise Price $
March 10, 2020 (1)	2,286,667	2,286,667	0.10
March 10, 2016 (2)	165,000	165,000	0.10
September 9, 2020 (3)	500,000	166,666	0.40
September 23, 2020 (4)	1,006,528	251,632	0.60
March 10, 2020 (1)	2,286,667	-	0.25
March 10, 2016 (2)	165,000	165,000	0.25
March 10, 2020 (1)	2,326,666	-	0.50
March 10, 2016 (2)	170,000	170,000	0.50
Total Options	8,906,528	3,204,965	0.33

The grant date fair value of options issued during the nine months ended September 30, 2010, amounted to $0.33 per option.

The fair value of these options at the date of grant was estimated using Black-Scholes option pricing model based on the following assumptions:

(1) expected dividend yield of 0%; risk-free interest rate of 3.51%; expected life of 10 years; and expected volatility of 60.84%.
(2) expected dividend yield of 0%; risk-free interest rate of 3.51%; expected life of 6 years; and expected volatility of 60.84%.
(3) expected dividend yield of 0%; risk-free interest rate of 2.80%; expected life of 10 years; and expected volatility of 58.36%.
(4) expected dividend yield of 0%; risk-free interest rate of 2.87%; expected life of 10 years; and expected volatility of 58.33%.

(e) Warrants

	Warrants #	Amount $
Balance, December 31, 2009	-	-
Warrants issued pursuant to a settlement of a loan (Note 5)	2,000,000	
Warrants issued pursuant to a private placement (Note 6(b)(iii)	21,722,512	2,084,515
Warrants issued pursuant to a private placement (Note 6(b)(iv)	4,250,000	407,834
Broker warrants issued pursuant to private placements (Note 6(b)(vi)	3,266,701	444,300
Warrants issued pursuant to a settlement of a loan (Note 6(b)(v)	1,250,000	120,000
Balance, September 30, 2010	32,489,213	3,056,649

The fair value of these warrants was estimated using the Black-Scholes option pricing model based on the following assumptions of expected dividend yield of 0%; risk-free interest rate of 3.51%; expected life of 10 years; and expected volatility of 60.84%.

7. RELATED PARTY TRANSACTIONS

Included in general and operating expenses on the statement of operations are consultancy and reimbursement of expenses of $948,970 (period ended September 30, 2009 - $384,287) paid to officers, directors and consultants who were spouses of certain directors and officers. Included in interest paid on the statement of operations are $12,460 (period ended September 30, 2009 - nil) to a consultant who is a spouse of a director. Included in fixed assets on the balance sheet are $12,341 (December 31, 2009 - nil) paid to officers and directors. Included in accounts payable and accrued liabilities is $78,468 (December 31, 2009 - $191,830) owing to these related parties at September 30, 2010. These amounts are unsecured, interest free and with no fixed terms of repayment.

During the period, 196,000 Common Shares were issued to officers and a director of the Company in settlement of consulting fees of $49,000.

During the period, 8,894,344 Common Shares were issued to a director of the Company in settlement of 20% non-controlling interest in Feronia JCA Ltd, and a business asset. The business asset consisted of a farm business, the fair value of the assets acquired being $604,619. The excess of the value of the shares issued in exchange for land being $1,618,967 has been transferred to the deficit for the period.

The related party transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

See Notes 5 and 6.

8. COMMITMENTS AND CONTINGENCIES

The Company leases its premises under an agreement, which is classified as an operating lease. The future minimum payments under the lease amount to $112,368 which are payable during the 12 month period ended September 30, 2011.

The remaining minimum management contract commitments result in total future commitments of $1,295,000. Of these commitments, $638,000 (£353,000 and $75,000) is payable in the 12 month period ended September 30, 2011; $638,000 (£353,000 and $75,000) is payable in the 12 month period ended September 30, 2012 and $19,000 (£12,000) is payable in the 12 month period ended September 30, 2013.

The Company is, from time to time, involved in various claims, legal proceedings and complaints arising in the ordinary course of business. The Company cannot reasonably predict the likelihood or outcome of these actions. The Company does not believe that adverse decisions in any other pending or threatened proceedings related to any matter, or any amount which may be required to be paid by reason there of, will have a material effect on the financial condition or future results of operations. As at September 30, 2010, accounts payable and accrued liabilities include provisions related to such matters totaling $254,000.

During the period the Company sold an excluded property on behalf of the former owners of PHC. The Company has received a tax assessment with regard to the disposal of property. Whilst the Company is contesting the assessment, the Company has accrued for the tax assessment and made a claim under the sale agreement of PHC to the former owners for the tax assessments received. The net effect is that no income or expense is recognized in the financial statements.

9. FINANCIAL INSTRUMENTS

(a) Fair value of financial instruments:

Canadian GAAP requires that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the balance sheet date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The carrying amounts of cash, accounts receivable and accounts payable and accrued liabilities approximate their fair values since these instruments have short-term maturity dates. Shareholders advances and employee incentive liability are classified as other financial liabilities, which are measured at amortized cost. As at September 30, 2010, the carrying and fair value amounts of the Company's financial instruments are approximately the same.

As at September 30, 2010, the Company's financial instruments that are carried at fair value, consisting of cash, have been classified as Level 1 within the fair value hierarchy.

(b) Capital management:

The Company considers its capital structure to consist of shares. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its ongoing operations. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company's objectives when managing capital are to maintain financial flexibility in order to preserve its ability to meet financial obligations, including potential obligations arising from additional acquisitions, maintain a capital structure that allows the Company to favour the financing of its growth strategy using internally generated cash flows and optimize the use of capital to provide an appropriate investment return to its shareholders. In order to maintain or adjust its capital structure, the Company may raise new debt or issue new shares.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes to the Company's capital management approach during the period ended September 30, 2010. The Company is not subject to externally imposed capital requirements.

9. FINANCIAL INSTRUMENTS (Continued)

(c) Financial risk factors:

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies and procedures from the previous period.

(i) Credit risk

The Company's credit risk is primarily attributable to cash equivalents and accounts receivable. The Company has no significant concentration of credit risk arising from operations.

Financial instruments included in accounts receivable consist of receivables from unrelated companies.

Management believes that the credit risk concentration with respect to financial instruments included in accounts receivable is remote.

(ii) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2010, the Company had a cash balance of $14,669,222 to settle current liabilities of $4,840,622. The majority of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. An exception to this is the employee incentive liability that falls due over the anticipated qualifying leaving date, which will frequently be the retirement date. As a guide to liquidity requirements, management considers that less than 10% of the liability will fall due within 5 years.

The Company has various commitments detailed in Note 8.

(iii) Foreign currency risk

The Company's functional currency is the U.S. dollar and major purchases are transacted in U.S. dollars. The Company funds certain operations using the Congolese Franc currency from its bank accounts held in the Democratic Republic of Congo. Management closely monitors the foreign exchange risk derived from currency conversions but does not hedge its foreign exchange risk.

Whilst the Company does not hold significant balances in foreign currencies in comparison to its trading activities, sensitivity analysis is given below with regard to potential changes in exchange rates. The Company does not consider the exposure to significant foreign exchange risk is sufficient to enter into hedge arrangements.

(Expressed in United States Dollars)

9. FINANCIAL INSTRUMENTS (Continued)

(c) Financial Risk Factors: (continued)

(iii) Foreign currency risk (continued)

As at September 30, 2010, the Company is exposed to translation foreign currency risk through the following financial assets and liabilities denominated in Congolese CDF and British GBP:

	September 30, 2010 CDF	September 30, 2010 GBP
Cash	108,115,933	1,049
Accounts receivable	6,113,016	-
Prepayments	25,212,497	-
Accounts payable and accrued liabilities	(1,051,093,702)	-
	(911,652,256)	1,049

As at September 30, 2010, with other variables unchanged, a +/- 10% change in the USD to CDF exchange rate would (decrease)/increase net loss for the period by $(108,211) $88,544 and a +/- 10% change in the USD to GBP exchange rate would increase/decrease net loss for the period by $166 ($166).

(iv) Interest rate risk

The Company held cash that is not interest bearing and therefore the Company considers that the effect of changes in interest rates would have no material impact on the consolidated net income.

(d) Fair value:

The Company has designated its cash as held-for-trading, which is measured at fair value. Financial instruments included in accounts receivable are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities, shareholders advances and employee incentive liability are classified as other financial liabilities, which are measured at amortized cost. As at September 30, 2010, the carrying and fair value amounts of the Company's financial instruments are approximately the same.

10. SEGMENTED INFORMATION

The Company has two operating segments being the production of palm oil and palm kernel oil. Substantially all of the revenue, net loss and assets relate to the production of palm oil.

Substantially all of the Company's property and equipment and revenues are in the Democratic Republic of Congo.

The Company has two customers which make up 90% of the total revenues of the Company.

11. SUBSEQUENT EVENTS

Subsequent to the period ended September 30, 2010, the Company received a tax assessment with regard to prior accounting periods. On receipt of the tax assessment, the Company requested an analysis to consider their response, and to date this analysis has not been received. Until such time as further information has been obtained the Company considers that no reliable assessment can be made of any potential tax liability for the preceding period.