FERONIA INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited)

For the three months ended March 31, 2016 and 2015

(Expressed in United States Dollars – except where otherwise noted)

NOTICE TO READER

The accompanying unaudited condensed consolidated interim financial statements of Feronia Inc. for the three months ended March 31, 2016 and 2015 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These condensed consolidated interim financial statements have not been reviewed by the Company's external auditors.

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(Unaudited)

For the three months ended March 31, 2016 and 2015

(Expressed in United States Dollars – except where otherwise noted)

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Condensed consolidated interim statements of financial position
Expressed in United States Dollars
(unaudited)

	Notes	March 31, 2016	December 31, 2015 (Restated Note 4)	December 31, 2014 (Restated Note 4)
Assets				
Current assets				
Cash		2,262,680	5,235,624	793,187
Receivables		1,017,732	686,561	685,360
Inventories		4,714,817	6,284,780	5,745,590
Prepaid expenses and other current assets		4,724,405	4,378,331	1,450,494
		12,719,634	16,585,296	8,674,631
Non-current assets				
Property plant and equipment	6	55,133,972	52,632,978	46,307,925
		55,133,972	52,632,978	46,307,925
Derivative assets	8	3,072,251	-	-
Total assets		70,925,857	69,218,274	54,982,555
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	11	11,338,440	9,881,208	6,753,628
Provisions	23	308,309	308,309	268,933
Derivative liability	8	-	3,219,982	-
Debentures	12	33,794,754	29,376,154	-
Other financial liabilities	14	1,784,985	1,600,083	746,569
		47,226,488	44,385,736	7,769,130
Long-term Liabilities				
Borrowings	13	8,643,245	8,460,359	5,504,009
Other long-term financial liabilities	14	4,249,566	4,709,417	4,343,353
Deferred tax liabilities		821,290	821,503	821,814
		13,714,101	13,991,279	10,669,175
Total liabilities		60,940,589	58,377,015	18,438,306
Shareholders' equity				
Share capital	9	91,606,948	91,606,948	91,425,364
Share-based payment and other reserves	10	7,031,509	7,108,402	2,843,617
Accumulated other comprehensive income		441,886	749,548	732,962
Deficit		(73,271,332)	(74,657,308)	(49,343,232)
Owners of the parent		25,809,011	24,807,590	45,658,711
Non-controlling interest	15	(15,823,742)	(13,966,331)	(9,114,461)
Total equity		9,985,269	10,841,259	36,544,250
Total equity and liabilities		70,925,857	69,218,274	54,982,556
Going concern	**2**			
Contingent liabilities	**23**			
Subsequent events	**24**			

The accompanying notes are an integral part of these consolidated financial statements.

On behalf of the Board:

''Ravi Sood'', Director ''Xavier de Carniere'', Director

Condensed consolidated interim statements of loss
For the three months ended March 31, 2016 and 2015

Expressed in United States Dollars
(unaudited)

	Notes	March 31, 2016	March 31, 2015 (Restated Note 4)
Revenue		3,966,054	2,493,113
Cost of sales	17	(6,406,428)	(3,245,220)
Gross profit (loss)		(2,440,374)	(752,107)
Expenses			
Selling, general and administrative	16	(2,583,267)	(2,987,147)
Other income (losses)		(93,656)	68,770
Operating loss		(5,117,297)	(3,670,484)
Loss before finance costs and taxes		(5,117,297)	(3,670,485)
Finance costs	18	(1,427,158)	(943,898)
Finance Income	19	6,292,233	1,664,147
Loss before income tax		(252,222)	(2,950,237)
Income tax expense	20	(76,728)	(102,877)
Net loss for the year		(328,950)	(3,053,112)
Loss attributable to:			
Owners of the parent		1,403,226	(1,903,690)
Non-controlling interest		(1,732,176)	(1,149,422)
Net loss		(328,950)	(3,053,112)
Loss per share			
Basic (dollars per share)		0.03	(0.03)
Diluted (dollars per share)		0.03	(0.03)
Weighted average number of shares outstanding:			
Basic		55,237,593	55,231,085
Diluted		55,237,593	55,231,085

The accompanying notes are an integral part of these consolidated financial statements.

Condensed consolidated interim statements of comprehensive loss
For the three months ended March 31, 2016 and 2015

Expressed in United States Dollars
(unaudited)

	Notes	March 31, 2016	March 31, 2015 (Restated Note 4)
Net loss		(328,950)	(3,053,112)
Other comprehensive income (loss)			
Cumulative translation adjustment		(427,500)	(36,646)
Actuarial (loss) gain on employment benefit, net of tax		(22,647)	113,037
Total comprehensive loss		(779,097)	(2,976,721)
Total comprehensive loss attributable to:			
Owners of the parent		1,078,314	(1,860,365)
Non-controlling interest	15	(1,857,411)	(1,116,356)
		(779,097)	(2,976,721)

The accompanying notes are an integral part of these consolidated financial statements.

Condensed consolidated interim statements of changes in equity
For the three months ended March 31, 2016 and 2015
Expressed in United States Dollars
(unaudited)

	Attributable to owners of the parent						
	Share capital	Share-based payment and other reserves	Accumulated other comprehensive income	Retained earnings (Deficit)	Total	Non-controlling interest	Total equity
Balance, January 1, 2015	91,425,364	2,843,617	732,962	(49,343,232)*	45,658,711*	(9,114,461)**	36,544,250
Net income for the period	-	-	-	(1,903,690)	(1,903,690)	(1,149,422)	(3,053,112)
Other comprehensive income (net of tax)	-	-	(42,775)	-	(42,775)	6,129	(36,646)
Actuarial gain on employment benefit, net of tax	-	-	-	86,100	86,100	26,937	113,037
Comprehensive income (loss) for the period	-	-	(42,775)	(1,817,590)	(1,860,365)	(1,116,356)	(2,976,721)
Shares issued for cash (net of share issue costs)	-	-	-	-	-	-	-
Share-based compensation	-	3,923	-	-	3,923	-	3,923
Balance, March 31, 2015	91,425,364	2,847,540	690,187	(51,160,822)	43,802,269	(10,230,817)	33,571,452
Balance, January 1, 2016	91,606,948	7,108,402	749,548	(74,657,308)	24,807,590	(13,966,331)	10,841,259
Net loss for the year	-	-	-	1,403,226	1,403,226	(1,732,176)	(328,950)
Other comprehensive income (loss) (net of tax)	-	-	(307,662)	-	(307,662)	(119,838)	(427,500)
Actuarial loss on employment benefit, net of tax	-	-	-	(17,250)	(17,250)	(5,397)	(22,647)
Comprehensive income (loss) for the year	-	-	(307,662)	1,385,976	1,078,314	(1,857,411)	(779,097)
Convertible debenture - Equity Component	-	(77,413)	-	-	(77,413)	-	(77,413)
Share-based compensation	-	520	-		520	-	520
Release of benefit of share issue cost	-	-	-	-	-	-	-
Balance, March 31, 2016	91,606,948	7,031,509	441,886	(73,271,332)	25,809,011	(15,823,742)	9,985,269

The accompanying notes are an integral part of these consolidated financial statements.

*Adjusted by $3,518,403 in the retained earnings as of January 1, 2015 due to adoption of changes in IAS 41

**Adjusted by $1,100,742 in the non-controlling interests CI as of January 1, 2015 due to adoption of changes in IAS 41

Condensed consolidated interim statements of cash flows
For the three months ended March 31, 2016 and 2015
Expressed in United States Dollars
(unaudited)

	March 31, 2016	March 31, 2015 (Restated Note 4)
Cash (used for):		
Operating activities:		
Loss from operating activities	(328,950)	(3,053,112)
Items not affecting cash:		
Share-based compensation	520	3,923
Amortisation	477,634	578,665
Employee incentive liability	(274,949)	107,483
Deferred tax adjustment	(214)	(63)
Change in derivative liability	(6,292,233)	(1,664,147)
Debenture accretion expense	356,918	564,711
Interest on convertible loan and debenture net of capitalised borrowing costs	1,083,597	33,816
Loss on disposal of fixed assets	-	168
Actuarial (loss) gain on employment benefit, net of tax	(22,647)	113,037
	(5,000,324)	(3,315,519)
Changes in non-cash working capital:		
Receivables	(331,171)	(786,038)
Prepaid expenses and other current assets	(346,074)	(209,904)
Inventories	1,569,962	381,914
Accounts payable and accrued liabilities	1,457,232	1,982,421
	2,349,949	1,368,393
Cash used in operating activities	(2,650,375)	(1,947,126)
Financing activities:		
Issuance of shares, debentures & warrants and debts for cash (net of costs)	3,083,558	6,831,695
Cash from financing activities	3,083,558	6,831,695
Investing activities:		
Acquisition of assets	(2,978,628)	(2,304,277)
Cash used in investing activities	(2,978,628)	(2,304,277)
Foreign exchange gain (loss) on currency translation	(427,499)	(36,646)
Increase (decrease) in cash	(2,972,944)	2,543,646
Cash, beginning of year	5,235,624	793,187
Cash, end of the year	2,262,680	3,336,833
Cash paid for income tax	254,251	324,986
Interest paid	-	-

1. Nature of operations

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

Feronia Maia sprl. ("Feronia Maia"), a wholly owned subsidiary of the Company, was incorporated under the laws of the Belgium by Memorandum and Articles of Association dated December 3, 2015. On December 3, 2015, Feronia CI Inc. contributed its investments in and loan receivables from foreign subsidiaries to Feronia Maia in exchange for shares in Feronia Maia.

Feronia Incorporated Services Limited ("FISL"), a private company incorporated under the laws of England and Wales by the Memorandum and Articles of Association dated March 29, 2010, is 100% owned by Feronia Maia.

Plantations Et Huileries du Congo S.A ("PHC"), a private company incorporated under the laws of the DRC, is 76.17% owned or controlled by the Company.

Feronia PEK sarl. ("Feronia PEK"), a private company incorporated under the laws of the DRC on October 1, 2010, is 80% owned by Feronia Maia.

Kimpese Agro Industrie sarl ("KAI"), a private company incorporated under the laws of the DRC on April 4, 2011, is 100% owned by Feronia Maia.

Feronia RDC sarl ("Feronia RDC"), a private company incorporated under the laws of the DRC on February 5, 2014, is 100% owned by Feronia Maia.

Collectively, the Company and its subsidiaries referred to above are known as "the Group".

The assets of the Group that are located in the DRC are subject to a number of risks, including but not limited to the risk of foreign investment, including increases in taxes and royalties, renegotiation of contracts, legislative changes (including the interpretation of existing legislation in a manner adverse to the Group's interests), political uncertainty and currency exchange fluctuations and restrictions.

The Company's registered office is 181 Bay Street, Suite 1800, Toronto, Ontario, Canada, M5J 2T9. The Company is incorporated and domiciled in Canada.

As previously reported, on December 24, 2011, the government of the DRC promulgated a new law, "Loi Portant Principes Fondamentaux Relatifs A L'Agriculture" (the "Agriculture Law"), for the stated purposes of developing and modernizing the country's agricultural sector. The Agriculture Law has garnered some controversy with respect to various provisions, including a provision which purports to limit the rights of foreign corporations to farmland in the DRC. Certain agribusinesses in the DRC have raised concerns that this provision may impede existing and new foreign investment in the agricultural sector. In particular, Article 16 of the Agriculture Law appears to impose a requirement that a holder of farmland in the DRC be either a DRC citizen or, in the case of a corporation, that such corporation be incorporated in the DRC and be majority owned by the DRC government and/or by DRC citizens. Currently, Feronia's primary operating subsidiaries, PHC and Feronia PEK are owned 23.83% by the DRC government and 20% by a private DRC corporation, respectively.

The Company has been involved in discussions with various levels of government in the DRC with respect to the proper interpretation of the Agriculture Law and its application to the Company's concessions in the DRC. If the Agriculture Law is interpreted by the DRC government to apply to the existing concession rights held by the Company and the Agriculture Law is not amended, it could have a material and substantial adverse effect on the value of the Company's business and its share price. In such case, the Company may be required to sell or otherwise dispose of a sufficient interest in its operating subsidiaries so as to ensure that it meets the local ownership requirements contained in this law. There is no assurance that such a sale or disposition would be completed at fair market value or otherwise on acceptable terms to Feronia. The Agriculture Law came into force on June 24, 2012 and, according to its terms, holders of concessions to agricultural lands had until June 24, 2013 to comply with its provisions.

As previously disclosed, the Company is aware of various reports suggesting that proposals to amend the Agriculture Law have been tabled to the DRC parliament. The Company is unable to verify such reports and, as a result, is continuing to monitor the situation and is reviewing various alternatives for a number of possible outcomes. At this time, management has determined that it is in the best interest of the Company to take no action in respect of the Agriculture Law.

2. Basis of presentation and going concern

These consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), on a going concern basis, which assume that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due for the foreseeable future.

At March 31, 2016 the Company had debentures with carrying value of $33,833,138 (December 31, 2015 – $29,376,154) classified as current liabilities. On December 21, 2015, the Company signed a term facility agreement for a secured debt facility of up to $49 million (the "DFI Debt Facility") of which $15 million was drawn-down on April 13, 2016. Upon the first drawdown, the debentures and accrued interest were converted into shares extinguishing this liability. It is management's view that funds from the first drawdown will not be sufficient to see the Company through to profitability. The second drawdown against the DFI Debt facility is dependent on the Company being able to meet additional conditions precedent. The Company's ability to continue as a going concern, therefore, is dependent on its ability to meet these conditions precedent in order to draw-down on the remainder of the DFI Debt facility or obtaining additional working capital from other sources.

Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

These conditions indicate uncertainty that may cast significant doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize the assets to settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

3. Significant Accounting policies

These interim financial statements should be read in conjunction with Feronia's most recently issued financial statements for the year ended December 31, 2015 and the related management's discussion and analysis which includes information necessary or useful to understanding the Company's business and financial statement presentation. In particular, the Company's significant accounting policies were presented in Note 2 of the consolidated financial statements for the year ended December 31, 2015, and have been consistently applied in the preparation of these interim financial statements. The consolidated financial statements have been prepared in compliance with IFRS as issued by the IASB. These financial statements were approved by the board of directors of the Company for issue on May 27, 2016.

New Accounting standards adopted during the year

As of January 1, 2016, the Company adopted the new and amended IFRS pronouncements in accordance with the transitional provisions outlined in the respective standards as listed below.

The Company has adopted the revised IAS 16, 'Property, plant and equipment' ("IAS 16") and IAS 41, 'Agriculture' ("IAS 41") in these financial statements. Comparative amounts have been restated to bring them in line with this change in accounting policy (see note 4).

Under the revised IAS 41, there is a requirement for biological assets to be measured at fair value less costs to sell. Fruit on trees is considered to be a biological asset.

Oil palms are harvested continuously throughout the year and at any given time the amount of Fresh Fruit Bunches ("FFB") on each tree will be at different stages depending on production cycle, age, rainfall, terrain and climate. With more than 2,000,000 palms of fruit bearing trees across the plantations it is not feasible to undertake a detailed census of each individual palm. In addition to calculating the number of FFB on the trees, it is also very difficult to estimate the ripeness of the fruit, which is key to determining its value. The full lifecycle of a FFB is around 22 months with most of the oil content being created in the

last few weeks. In our specific case, as all three plantations are undergoing rehabilitation and approximately 70% of the trees are very young, which adds greater volatility to these estimates.

As an alternative to undertaking a detailed census of FFB at the reporting date, the Group has estimated fair value based on harvest round profiles and current harvesting levels. Harvest rounds refer to the frequency each block is harvested and so provides a reasonable indicator as to the availability of ripe fruit on the trees. Based on this, the Group has estimated that the value of fruit on the tree at any point in time is equivalent to around 7 days production.

Due to the very young age profile of our trees current production levels are low but increasing year on year. In order to calculate the amount of ripe fruit on trees we have estimated the amount based on average production for the quarter preceding the valuation date. Using the current average Oil Extraction Rate ("OER") provides an estimate of the amount of CPO that would be produced. Multiplying this by the average selling price of CPO less the costs of producing the oil provides an estimate of the value of the fruit on the trees.

Accounting standards issued but not yet adopted

Unless otherwise noted, the following revised standards and amendments are effective for annual periods beginning on or after January 1, 2016, with earlier application permitted. The Company reviewed the new and revised accounting pronouncements that have been issued but are not yet effective and determined that the following may have an impact on the Company:

The final version of IFRS 9, 'Financial Instruments' ("IFRS 9"), was issued the IASB in July 2014 and will replace IAS 39, 'Financial Instruments: Recognition and Measurement'. IFRS 9 introduces a model for classification and measurement, a single, forward looking "expected loss" impairment model and a substantially reformed approach to hedge accounting. The new single, principle based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses. It also includes changes in respect of own credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognized in profit and loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, however it is available for early adoption. In addition, the own credit changes can be adopted early in isolation without otherwise changing the accounting for financial instruments. The Company has yet to assess the full impact of IFRS 9 and has not yet determined when it will adopt the new standard.

In May 2014, the IASB issued IFRS 15, 'Revenue from Contracts with Customers' ("IFRS 15"), which supersedes IAS 18, 'Revenue', IAS 11, 'Construction Contracts' and other interpretive guidance associated with revenue recognition. IFRS 15 provides a single model to determine how and when an entity should recognize revenue, as well as requiring entities to provide more informative, relevant disclosures in respect of its revenue recognition criteria. IFRS 15 is to be applied prospectively and is effective for annual periods beginning on or after January 1, 2017, with earlier application permitted. The Corporation is in the process of evaluating the impact that IFRS 15, may have on the Corporation's consolidated financial statements.

In January 2016, the IASB issued IFRS 16, 'Leases' ("IFRS 16") which established the principles that an entity should use to determine the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). IFRS 16 replaces that previous leases standard, IAS 17, 'Leases', and related interpretations. IFRS 16 is effective from January 1, 2019 though a company can choose to apply IFRS 16 before that date but only in conjunction with IFRS 15. The Company is currently assessing the impact of this standard.

4. Impact of adoption of amended IAS 16, 'Property, plant and equipment' and IAS 41, 'Agriculture'

As of January 1, 2016, the Company has adopted the revised IAS 16 and IAS 41 in these financial statements. Due to these amendments "bearer plants" are accounted for at historical cost rather than fair value. Comparative amounts have been restated to bring them in line with this change in accounting policy.

Below we disclose the impact of restatement on the statements of loss, comprehensive loss, changes in equity and cash flow:

Change in Condensed consolidated interim statements of loss due to change in Accounting standard
For the three months ended March 31, 2015

Expressed in United States Dollars

	March 31, 2015 As reported	**March 31, 2015 (Restated)**	Difference
Revenue	2,493,113	**2,493,113**	-
Cost of sales	(3,873,168)	**(3,245,220)**	627,947
			-
Gross profit (loss)	(1,380,055)	**(752,108)**	627,947
Expenses			
Selling, general and administrative	(3,161,604)	**(2,987,147)**	174,457
Other income (losses)	68,770	**68,770**	-
Operating loss	(4,472,889)	**(3,670,485)**	802,404
Gain (loss) on biological assets	12,653,637	**-**	(12,653,637)
Income (loss) before finance costs and taxes	8,180,748	**(3,670,485)**	(11,851,233)
Finance costs	(943,898)	**(943,898)**	-
Finance Income	1,664,147	**1,664,147**	-
Income (loss) before income tax	8,900,997	**(2,950,236)**	(11,851,233)
Income tax expense	(4,531,649)	**(102,877)**	4,428,773
Net Income (loss) for the year	4,369,348	**(3,053,112)**	(7,422,460)
Income (loss) attributable to:			
Owners of the parent	3,749,998	**(1,903,690)**	(5,653,688)
Non-controlling interest	619,350	**(1,149,422)**	(1,768,772)
Net loss	4,369,348	**(3,053,112)**	(7,422,460)
Loss per share			
Basic (dollars per share)	0.08	**(0.03)**	(0.11)
Diluted (dollars per share)	0.06	**(0.03)**	(0.09)
Weighted average number of shares outstanding:			
Basic	55,231,085	**55,231,085**	-
Diluted	76,064,055	**55,231,085**	(20,832,970)

Change in condensed consolidated interim statements of comprehensive loss due to change in Accounting standards
For the three months ended March 31, 2015

Expressed in United States Dollars

	March 31, 2015 As reported	**March 31, 2015 (Restated)**	Difference
Net income (loss)	4,369,348	**(3,053,112)**	(7,422,460)
Other comprehensive income (loss)			
Cumulative translation adjustment	(36,646)	**(36,646)**	-
Actuarial (loss) gain on employment benefit, net of tax	113,037	**113,037**	-
Total comprehensive income (loss)	4,445,739	**(2,976,721)**	(7,422,460)
Total comprehensive income (loss) attributable to:			
Owners of the parent	3,793,323	**(1,820,070)**	(5,613,393)
Non-controlling interest	652,416	**(1,156,651)**	(1,809,067)
	4,445,739	**(2,976,721)**	(7,422,460)

Change in of Consolidated statements of financial position due to change in Accounting standard
Expressed in United States Dollars

	December 31, 2015 As reported	**December 31, 2015 (Restated)**	Difference
Assets			
Current assets			
Cash	5,235,624	**5,235,624**	-
Receivables	686,561	**686,561**	-
Inventories	6,284,780	**6,284,780**	-
Prepaid expenses and other current assets	4,378,331	**4,378,331**	-
	16,585,296	**16,585,296**	-
Non-current assets			
Non-current biological assets	41,612,821	-	(41,612,821)
Property plant and equipment	23,587,896	**52,632,978**	29,045,082
	65,200,717	**52,632,978**	(12,567,739)
Total assets	81,786,013	**69,218,274**	(12,567,739)
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	9,881,208	**9,881,208**	-
Provisions	308,309	**308,309**	-
Derivative liability	3,219,982	**3,219,982**	-
Debentures	29,376,154	**29,376,154**	-
Other financial liabilities	1,600,083	**1,600,083**	-
	44,385,736	**44,385,736**	-
Long-term Liabilities			
Borrowings	8,460,359	**8,460,359**	-
Other long-term financial liabilities	4,709,417	**4,709,417**	-
Deferred tax liabilities	13,526,854	**821,503**	(12,705,351)
	26,696,630	**13,991,279**	(12,705,351)
Total liabilities	71,082,366	**58,377,015**	(12,705,351)
Shareholder's equity			
Share capital	91,606,948	**91,606,948**	-
Share-based payment and other reserves	7,108,402	**7,108,402**	-
Accumulated other comprehensive income	749,548	**749,548**	-
Deficit	(74,762,127)	**(74,657,308)**	104,819
Owners of the parent	24,702,771	**24,807,589**	104,819
Non-controlling interest	(13,999,124)	**(13,966,331)**	32,793
Total equity	10,703,647	**10,841,259**	137,612
Total equity and liabilities	81,786,013	**69,218,274**	(12,567,739)

Change in of Consolidated statements of financial position due to change in Accounting standard
Expressed in United States Dollars

	December 31, 2014 As reported	**December 31, 2014 (Restated)**	Difference
Assets			
Current assets			
Cash	793,187	**793,187**	-
Receivables	685,360	**685,360**	-
Inventories	5,745,590	**5,745,590**	-
Prepaid expenses and other current assets	1,450,494	**1,450,494**	-
	8,674,631	**8,674,631**	-
Non-current assets			
Non-current biological assets	22,123,581	**-**	(22,123,581)
Property plant and equipment	24,924,894	**46,307,925**	21,383,031
	47,048,475	**46,307,925**	(740,550)
Total assets	55,723,105	**54,982,556**	(740,550)
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	6,753,628	**6,753,628**	-
Provisions	268,933	**268,933**	-
Other financial liabilities	746,569	**746,569**	-
	7,769,130	**7,769,130**	-
Long-term Liabilities			
Borrowings	5,504,009	**5,504,009**	-
Other long-term financial liabilities	4,343,353	**4,343,353**	-
Deferred tax liabilities	6,181,508	**821,814**	(5,359,694)
	16,028,870	**10,669,175**	(5,359,694)
Total liabilities	23,798,000	**18,438,306**	(5,359,694)
Shareholder’s equity			
Share capital	91,425,364	**91,425,364**	-
Share-based payment and other reserves	2,843,617	**2,843,617**	-
Accumulated other comprehensive income	732,962	**732,962**	-
Deficit	(52,861,634)	**(49,343,232)**	3,518,402
Owners of the parent	42,140,309	**45,658,711**	3,518,402
Non-controlling interest	(10,215,203)	**(9,114,461)**	1,100,742
Total equity	31,925,106	**36,544,250**	4,619,144
Total equity and liabilities	55,723,105	**54,982,556**	(740,550)

Change in Condensed consolidated interim statements of cash flows due to change in Accounting standards
For the three months ended March 31, 2015
Expressed in United States Dollars

	March 31, 2015 As reported	**March 31, 2015 (Restated)**	Difference
Cash (used for):			
Operating activities:			
Loss from operating activities	4,369,348	**(3,053,112)**	(7,422,460)
Items not affecting cash:			
Share-based compensation	3,923	**3,923**	-
Amortisation	514,148	**578,665**	64,517
Employee incentive liability	107,483	**107,483**	-
Fair value (gain) loss on biological assets	(12,653,637)	**-**	12,653,637
Deferred tax on biological asset	4,428,773	**-**	(4,428,773)
Deferred tax adjustment	(63)	**(63)**	-
Change in warrants liability	-	**-**	-
Change in derivative liability	(1,664,147)	**(1,664,147)**	-
Debenture accretion expense	564,711	**564,711**	-
Interest on convertible loan and debenture net of capitalised borrowing costs	33,816	**33,816**	-
Loss on disposal of fixed assets	168	**168**	-
Actuarial (loss) gain on employment benefit, net of tax	113,037	**113,037**	-
	(4,182,440)	**(3,315,519)**	866,921
Changes in non-cash working capital:			
Receivables	(786,038)	**(786,038)**	-
Prepaid expenses and other current assets	(209,904)	**(209,904)**	-
Inventories	381,914	**381,914**	-
Accounts payable and accrued liabilities	1,982,421	**1,982,421**	-
	1,368,393	**1,368,393**	-
Cash used in operating activities	(2,814,047)	**(1,947,126)**	866,922
Financing activities:			
Issuance of shares, debentures & warrants and debts for cash (net of costs)	6,831,695	**6,831,695**	-
Cash from financing activities	6,831,695	**6,831,695**	-
Investing activities:			
Acquisition of assets	(1,437,356)	**2,304,277)**	(866,921)
Cash used in investing activities	(1,437,356)	**(2,304,277)**	(866,921)
Foreign exchange gain (loss) on currency translation	(36,646)	**(36,646)**	-
Increase (decrease) in cash	2,543,646	**2,543,646**	-
Cash, beginning of year	793,187	**793,187**	-
Cash, end of the year	3,336,833	**3,336,833**	-

Cash paid for income tax	324,986	**324,986**	-
Interest paid	-	**-**	-

5. Segment reporting and economic dependence

Management has determined the operating segments based on the information reviewed by the Group's chief operating decision-maker. With the commencement of commercial sales of rice during Q2 2013, for management purposes, the Group's operations have been split into two segments:

- Oil Palm Plantations (Palm Oil) – large scale oil palm plantations;
- Arable – arable farming operations.

Each segment is considered to be a distinct strategic operating unit and the segments are organised and managed separately. Performance is evaluated based on revenue and operating income. Corporate costs represent primarily professional and legal fees, board of directors' expenses and securities regulatory and stock exchange filing and listing fees that are not allocated to the operations. During the three months ended March 31, 2016, Palm Oil sold to the Company's two largest customers representing 94% of total sales within the segment, with sales to the Company's biggest customer representing 65% of total sales.

The sales made by Arable during the three months ended March 31, 2016 were very marginal. In Q2 2015, the Company entered into an agreement with a partner to undertake a two year feasibility study regarding the future development of the arable business. The partner has extensive domestic and international agricultural experience and is funding the feasibility study its self.

Three months ended March 31, 2016:	**Palm Oil**	**Arable**	**Corporate**	**Total**
Revenue	3,966,054	0	-	3,966,054
Operating loss	(4,012,233)	(196,758)	(908,306)	(5,117,297)
Finance costs	(84,631)	(6,976)	(1,335,551)	(1,427,158)
Finance Income	-	-	6,292,233	6,292,233
Income tax recovery	(45,968)	(30,939)	179	(76,728)
Net loss for period	(4,142,832)	(234,673)	4,048,555	(328,950)

Three months ended March 31, 2015 Restated:	**Palm Oil**	**Arable**	**Corporate**	**Total**
Revenue	2,493,113	-	-	2,493,113
Operating loss	(2,524,276)	(869,567)	(276,641)	(3,670,484)
Finance costs	(43,826)	(10,578)	(889,494)	(943,898)
Finance Income			1,664,147	1,664,147
Income tax expense	(27,422)	(68,981)	(6,474)	(102,877)
Net loss for period	(2,595,524)	(949,126)	491,538	(3,053,112)

As at March 31, 2016:	**Palm Oil**	**Arable**	**Corporate**	**Total**
Total assets	63,739,482	2,027,770	5,158,605	70,925,857
Total liabilities	(16,644,263)	(699,048)	(43,597,278)	(60,940,589)

As at December 31, 2015 Restated:	**Palm Oil**	**Arable**	**Corporate**	**Total**
Total assets	61,247,254	2,545,786	5,425,234	69,218,274
Total liabilities	(15,596,243)	(788,641)	(41,992,131)	58,377,015

6. Property, plant and equipment

	Land	Buildings	Materials, furniture and equipment	Motor vehicles	Bearer Plants	Assets under construction	Total
Year ended December 31, 2015							
At January 1, 2015	2,397,904	4,586,938	14,545,591	94,345	5,599,316	19,083,830	46,307,924
Additions	-	-	10,800	-	-	12,777,243	12,788,043
Disposals	-	-	(28,132)	-	-	-	(28,132)
Transfers	-	98,345	127,417	11,319	5,101,251	(5,338,332)	-
Impairment		(531,479)	(1,065,974)			(2,633,703)	(4,231,156)
Depreciation	-	(153,587)	(1,732,887)	(59,158)	(258,069)	-	(2,203,701)
At December 31, 2015	2,397,904	4,000,217	11,856,815	46,506	10,442,498	23,889,038	52,632,978
At December 31, 2015							
Cost	2,397,904	5,377,554	19,384,911	1,311,547	10,964,572	26,522,741	65,959,229
Accumulated depreciation	-	(845,858)	(6,462,122)	(1,265,041)	(522,074)	-	(9,095,095)
Impairment	-	(531,479)	(1,065,974)	-	-	(2,633,703)	(4,231,156)
Net book value	2,397,904	4,000,217	11,856,815	46,506	10,442,498	23,889,038	52,632,978
Three months ended March 31, 2016							
At January 1, 2016	2,397,904	4,000,217	11,856,815	46,506	10,442,498	23,889,038	52,632,978
Additions	-	-	-	-	-	2,978,628	2,978,628
Disposals	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Depreciation	-	(34,101)	(342,213)	(8,911)	(92,409)	-	(477,634)
At March 31, 2016	2,397,904	3,966,116	11,514,602	37,595	10,350,089	26,867,666	55,133,972
At March 31, 2016							
Cost	2,397,904	4,846,075	18,318,937	1,311,547	10,964,572	26,867,666	64,706,701
Accumulated depreciation	-	(879,959)	(6,804,335)	(1,273,952)	(614,483)	-	(9,572,729)
Net book value	2,397,904	3,966,116	11,514,602	37,595	10,350,089	26,867,666	55,133,972

During the three months ended March 31, 2016, the Company capitalized borrowing costs amounting to $230,821(Q1 2015:$221,030) on qualifying assets. Borrowing costs were capitalized at the weighted average of its general borrowings of 12%.

7. Biological assets

The figures in respect of FFB prior to harvest are based on the average selling price of FFB for the three ended March 31, 2016 less the cost of converting the FFB into oil. The market price is applied to a weight of CPO which is calculated on the estimated weight of FFB on the trees using the average OER achieved in that quarter. The weight derives from the assumption that the maximum amount of ripe fruit on trees can be no more than the amount of production that would normally be achievable in the period between harvest rounds. Based on this the Company estimates the amount of fruit on the trees to be used in the calculation of this value is one week's average harvest based on the actual harvest for the previous three months.

The valuation of the fruit is based on average achieved selling price less cost of production. As a result of the location of the plantations and the young age profile of our trees which results in low FFB yields, the cost of production is higher than the revenues we receive for CPO sales. Accordingly, the value attributable to fruit on the trees as at March 31, 2016 and 2015 was nil.

8. Derivative Assets & liability

	March 31, 2016	December 31, 2015
Derivative assets - fair value	3,072,251	-
Derivative liability - fair value	-	(3,219,982)
Derivative assets (liability)	3,072,251	(3,219,982)

(i) The principal and interest conversion options on the convertible debentures issued in January 2015, June 2015, July 2015, November 2015 and January 2016 are each a derivative (the "derivative component"). The derivative component is measured at fair value at recognition with changes in fair values included in the statement of loss. At March 31, 2016 the Company determined the fair value of the derivative assets to be $3,072,251. During the three months ended March 31, 2016, the Company recorded a loss related to the change in the fair value of the derivative component of 6,292,233 included in finance costs, The valuation is based on a combination of management's judgement on the probability of the conversion occurring before maturity and the difference between the conversion price and the share price as at March 31, 2016. Refer to note 12 for further details.

9. Share capital

	Shares #	Shares (amount)
Balance, December 31, 2015	55,244,360	91,606,948
Balance, March 31, 2016	55,244,360	91,606,948

10. Share-based payment and other reserves

Share-based payment and other reserves

Balance, December 31, 2015	7,108,402
Employee share-based compensation	520
Convertible debt - equity component (i)	(77,413)
Balance, March 31, 2016	7,031,509

(i) The gain related to the difference between fair value of embedded derivative and cash proceeds received at the inception has been classified as equity.

A continuity of the Company's stock options issued and outstanding is as follows:

	Number of Options	Weighted Average Exercise Price
	#	$
Balance, December 31, 2015	826,761	2.64
Issued/forfeited	-	-
Balance, March 31, 2016	826,761	2.69

As at March 31, 2016, the Company had the following outstanding options to purchase common shares:

Date of Grant	Remaining Contractual Life (Years)	Expiry Date	Number of Stock Options Outstanding	Number of Stock Options Exercisable	Weighted Average Exercise Price	Grant date fair value of Options Outstanding
					$	$
September 9, 2010	4.19	March 10, 2020 (1)	174,000	174,000	1.00	424,730
September 9, 2010	4.19	March 10, 2020 (1)	174,000	174,000	2.50	352,721
September 9, 2010	4.19	March 10, 2020 (1)	177,000	177,000	5.00	351,326
September 9, 2010	4.70	September 9, 2020 (2)	50,000	50,000	3.07	113,000
September 23, 2010	4.73	September 23, 2020 (3)	55,261	55,261	4.61	202,312
November 30, 2011	5.92	November 30, 2021 (4)	146,500	146,500	1.91	390,394
June 17, 2013	7.47	June 17, 2023 (5)	50,000	50,000	0.92	34,398
Unamortized portion of options						156,065
Total Options			826,761		2.69	2,024,946

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 2.80%; expected life of 10 years; and expected volatility of 58.36%.

(3) expected dividend yield of 0%; risk-free interest rate of 2.87%; expected life of 10 years; and expected volatility of 58.33%.

(4) expected dividend yield of 0%; risk-free interest rate of 2.15%; expected life of 10 years; and expected volatility of 85.02%.

(5) expected dividend yield of 0%; risk-free interest rate of 2.32%; expected life of 10 years; and expected volatility of 63.88%.

The Company has used historical and index volatility to estimate the volatility of the share price.

11. Accounts payable and accrued liabilities

	March 31, 2016	December 31, 2015
Trade payables	5,805,517	3,055,680
Accrued expenses	3,577,493	4,849,154
Interest payables	303,349	-
Other payables	1,652,081	1,976,374
	11,338,440	9,881,208

12. Debentures

	March 31, 2016	December 31, 2015
Debentures issued on January 22, 2015	5,103,545	5,103,545
Debentures issued on June 19, 2015	7,560,533	7,560,533
Debentures issued on July 16, 2015	859,186	859,186
Debentures issued on November 9, and November 27, 2015	11,248,512	11,248,512
Debentures issued on January 15, 2016	3,160,971	-
Debenture accretion expense	3,290,984	3,002,814
Debenture Interest Payable	2,571,023	1,601,564
Debentures	33,794,754	29,376,154

On January 22, 2015, the Company entered into subscription agreements for a private placement of up to $16.325 million of secured convertible debentures led by CDC. On January 22, 2015, Company issued a tranche of $7.15 million principal amount debentures (the “January 2015 Debentures”).

On June 19, 2015, the Company entered into subscription agreements with CDC and the African Agriculture Fund (“AAF”), through its subsidiary Golden Oil Holdings Limited (“GOHL”), for the private placement of $9.18 million secured convertible debentures completing the previously announced private placement of secured convertible debentures. The first tranche of $8,196,500 principal amount of debentures was issued on June 19, 2015 and on July 16, 2015, the issuance of the second tranche of $983,500 secured convertible debentures was completed with AAF through its subsidiary GOHL (collectively, the “June/July 2015 Debentures”).

On November 9, 2015, the Company completed the first tranche of the private placement of secured convertible debentures with CDC in the principal amount of $10 million and on November 27, 2015, the second tranche of the private placement of secured convertible debentures with AAF through its subsidiary GOHL in the principal amount of $1.8 million (collectively, the “November 2015 Debentures”). On January 15, 2016, the Company completed the final tranche of the private placement of a secured convertible debenture with AAF through its subsidiary GOHL in the principal amount of $3.2 million (the “January 2016 Debenture”). The terms of the November 2015 Debentures and January 2016 Debenture are the same as the June/July 2015 Debentures.

Concurrently with the issuance of the June/July 2015 Debentures, the Company amended the terms of the January 2015 Debentures (the "Amended January 2015 Debentures"). The amendments included: (i) amending the conversion terms, so that the Amended January 2015 Debentures are convertible into common shares rather than units comprised of common shares and warrants (the "**Units**"); (ii) reducing the conversion price from CDN$0.80 per Unit or CDN$0.45 per Unit if the Company does not complete a Qualified Debt Financing (as defined in the January 2015 Debentures) to CDN$0.25 per common share or CDN$0.14 per common share if the Company does not complete an Amended Debt Financing (as defined in the Amended January 2015 Debentures); and (ii) deleting the concept of a "Qualified Debt Financing" and replacing it with an "Amended Debt Financing".

Upon conversion, the principal and interest on the debentures shall first be converted into Canadian dollars at a fixed exchange rate of CDN$1.20 per US$1.00. The Canadian dollar equivalent of the principal amount of the Amended January 2015 Debentures, June/July 2015 Debentures, November 2015 Debentures and January 2016 Debenture (collectively, the "2015/2016 Debentures") is convertible into common shares of the Company at a rate of CDN$0.14 per common share as the Company did not complete a drawdown on the Amended Debt Financing (as defined in the 2015/2016 Debentures) prior to December 31, 2015.

Interest on the 2015/2016 Debentures is 12% per annum, compounded semi-annually, and shall accrue and be payable upon maturity, unless converted earlier. The 2015/2016 Debentures contain a guaranteed interest provision. Notwithstanding the foregoing, the guaranteed interest provisions shall not apply as the Amended Debt Financing was not completed by December 31, 2015. Upon conversion, the Canadian dollar equivalent of the accrued interest on the 2015/2016 Debentures shall, subject to the approval of the TSX Venture Exchange ("TSXV"), be convertible into common shares at a per share price equal to the greater of CDN$0.14 and the Discounted Market Price (as defined in the policies of the TSXV) at the time of conversion as the Amended Debt Financing was not completed by December 31, 2015. The 2015/2016 Debentures will mature and, if not converted, will become due on January 22, 2016, being one year from the issuance date of the January 2015 Debentures. At any time prior to or after maturity, the 2015/2016 Debentures may be converted at the option of the holder. The 2015/2016 Debentures shall automatically convert in the event that the Company draws down on an Amended Debt Financing. The maturity date for the 2015/2016 Debentures were subsequently extended until April 30, 2016.

Each of the subscribers of the 2015/2016 Debentures received a 2% placement fee on the amount of the 2015/2016 Debentures purchased. Proceeds from the 2015/2016 Debentures were used for working capital purposes and, in particular, to provide expansion capital for the Company's subsidiaries in the DRC.

The secured convertible debentures, warrants liability and derivative liability have been valued using the Cox-Ross-Rubenstein (CRR) binomial tree method to model the underlying stock price. The main inputs for valuations were obtained from Bloomberg are:

(a) Underlying stock;

(b) Underlying stock volatility – The stock volatility calculated at the valuation date is 53.18%;

(c) CAD discount curve;

(d) USD/CAD FX rate; and

(e) Credit spread – The credit spread obtained at the valuation date is 30.8%.

On the date of issuance, the fair value of the January 2015 Debentures without conversion option is estimated at $5,421,850 and the fair value after deducting the issuing cost ($175,305) and placement fees ($143,000), is $5,103,545.

On the date of issuance the fair value of the June 2015 Debentures issued on June 19, 2015 without conversion option is estimated at $7,790,900 and the fair value after deducting the issuing cost ($66,393) and placement fees ($163,930), is $7,560,533.

On the date of issuance the fair value of the July 2015 Debentures issued on July 16, 2015 without conversion option is estimated at $952,020 and the fair value after deducting the issuing cost ($73,164) and placement fees ($19,670), is $859,186.

Also on the date of issuance the fair value of the November 2015 Debentures issued on November 9, 2015 without conversion option is estimated at $9,800,620 and the debenture issued on November 27, 2015 without the conversion option is estimated at $1,708,638. The fair value November 2015 Debentured after deducting the issuing cost ($96,746) and placement fees ($236,000), is $11,248,512.

On the date of issuance the fair value of the January 2016 Debenture without conversion option is estimated at $3,277,413 and the fair value after deducting the issuing cost ($52,442) and placement fees ($64,000), is $3,160,971.

Using the effecting interest method the interest accretion as of March 31, 2016 is $3,290,984. As of March 31, 2016, the carrying value of the 2015/2016 Debentures (including accretion and interest) was $33,794,754.

The value of the 2015/2016 Debentures is classified as a current liability, and will be accreted to the face value through a periodic charge to accretion expense, with a corresponding credit to the liability component over the one-year term. This accretion is based on the effective interest method.

13. Borrowings

	March 31, 2016	December 31, 2015
Debentures issued during 2012	4,646,321	4,577,573
Convertible Loan agreement	3,996,924	3,882,786
	8,643,245	8,460,359

(a) Debentures issued during 2012

	March 31, 2016	December 31, 2015
Debentures, beginning of year	4,577,573	4,346,645
Debenture accretion expense	68,748	230,928
Debentures	4,646,321	4,577,573

As part of the first tranche of a brokered private placement (the “2012 Offering’’) completed on July 24, 2012, the Company received gross proceeds of CDN$3,679,000 pursuant to the issuance of 3,679 units (each, a "Debenture Unit"), with each Debenture Unit consisting of one CDN$1,000 principal amount 12.0% convertible unsecured subordinated debenture (a "2012 Debenture") and certain common share purchase warrants, which expired on July 24, 2014 (each, a "Warrant"). The purchase price for each Debenture Unit was CDN$1,000. Also as part of the second tranche of the 2012 offering completed on August 8, 2012, the Company received gross proceeds of CDN$1,684,000 pursuant to the issuance of 1,684 Debenture Units. The 2012 Debentures bear interest from July 24, 2012 at 12.0% per annum, payable commencing on December 31, 2012, and are due and payable on July 24, 2017 (the "Maturity Date"). The principal amount of the 2012 Debentures is convertible at the holder's option into common shares at any time prior to the close of business on the Maturity Date, at a conversion price of CDN$1.75 (post-consolidation) per share, being a ratio of 571 common shares (post-consolidation) per CDN$1,000 principal amount. The 2012 Debentures are governed by a trust indenture which includes customary adjustment provisions to the conversion price.

On the date of issuance, the gross proceeds in the amount of CDN$3,679,000 for the first tranche and CDN$1,684,000 for the second tranche were first allocated to the 2012 Debentures (CDN$3,647,059 for the first tranche and CDN$1,671,557 for the second tranche) and the Warrants (CDN$31,941 for the first tranche and CDN$12,443 for the second tranche). The value of the 2012 Debentures was then allocated between the convertible debt (CDN$2,994,876 for the first tranche and CDN$1,379,268 for the second tranche) and the holders’ option to convert the principal balance into common shares (CDN$652,183 for the first tranche and CDN$292,289 for the second tranche) (the “Conversion Option”).

The value of the 2012 Debentures is classified as a liability, and will be accreted to the face value through a periodic charge to accretion expense, with a corresponding credit to the liability component over the five-year term. This accretion is based on the effective interest method. As of March 31, 2016, the carrying value of the 2012 Debentures (including foreign currency and accretion) was $4,646,321. The fair value of the Warrant component is also classified as a liability given certain anti-dilution clauses exist in the contract which resulted in the instrument being classified as a derivative which is fair valued at each reporting date. The amount allocated to the Conversion Option is classified as a separate component within shareholders' equity. The Company incurred transaction costs of $655,494 specifically allocated to the issuance of the Debenture Units. These costs were allocated among debenture issuance costs, warrant issuance costs and equity issuance costs, based on the values of the debt and equity components at the date of issuance. The portion of transaction costs allocated to the convertible debt has been set off against the initial value of the convertible debt and the transaction costs allocated to the conversion option has been set off within equity as part of the initial value allocation. The transaction costs allocated to the warrant liability have been expensed to the statement of income (loss).

(b) Convertible loan agreement

	March 31, 2016	December 31, 2015
Convertible Loan agreement - Debt	3,593,938	3,593,938
Convertible Loan agreement - Embedded Derivatives	1	1
Convertible Loan agreement - Interest	402,985	288,847
Convertible loan agreement	3,996,924	3,882,786

On November 7, 2013, the Company entered into a convertible loan agreement with CDC Group plc ("CDC"), pursuant to which CDC will make available an unsecured non-revolving term loan in the maximum amount of $3.6 million at an interest rate of 12% per annum for a term of five years. As at March 31, 2016, $3,593,939 of the loan had been drawn down and the interest accrued on the loan is $402,985. The loan includes an option at the maturity date and in certain other circumstances to convert the principal amount outstanding into common shares at CDN$2.40 per share (post-consolidation) and the accrued and unpaid interest outstanding into common shares at the greater of CDN$2.40 per share (post-consolidation) and the discounted market price (as determined pursuant to the policies of the TSX Venture Exchange).

The convertible loan agreement contains an embedded derivative related to foreign currency. This derivative is marked to its market value at each reporting date and adjustments to the fair value are included in the consolidated statements of loss within finance costs.

14. Other financial liabilities

Through its acquisition of PHC in the year ended December 31, 2009, the Company assumed PHC's employee incentive plan. The liability associated with the plan is based on a function of compensation levels, benefit formulas and years of service. The measurement dates used for the accounting valuation for the defined benefit plan were March 31, 2016 and December 31, 2015. Information about the employee incentive plan for the year ended March 31, 2016 and at December 31, 2015 is as follows:

Benefit liability	March 31, 2016	December 31, 2015
	$	$
Accrued benefit obligation, beginning of year	6,309,500	5,089,922
Current service cost	40,374	168,591
Interest cost	233,610	797,896

Benefit paid during the year	(479,196)	(404,995)
Effect of foreign exchange	(92,384)	(20,666)
Actuarial gains	22,647	678,752
Accrued benefit obligation, end of year	6,034,551	6,309,500

The weighted average assumptions in measuring the accrued employee incentive liability for the three months ended March 31, 2016 and March 31, 2015 use the Canadian 3 to 10 year bond yield rate of 1.3%.

	March 31, 2016	**March 31, 2015**
Discount rates	16.3%	16.3%
Salary increase rate (administrative)	8.0%	8.0%
Salary increase rate (operation)	7.0%	7.0%

The employee incentive liability is categorised as current and non-current portion as below.

	March 31, 2016	**December 31, 2015**
	$	**$**
Current portion	1,784,985	1,600,083
Non-current portion	4,249,566	4,709,417
Accrued benefit obligation, end of year	6,034,551	6,309,500

15. Non-controlling interest

Non-controlling interest includes the DRC government's 23.83% interest in PHC and Plantations Elevages Kitomesa sarl's 20% interest in Feronia PEK. Percentage of profit on each component of other comprehensive income is attributed to the owners of the non-controlling interests.

	March 31, 2016	**December 31, 2015**
Non-controlling interest, beginning of year	13,966,331	9,114,461
Share of loss	1,857,411	4,851,870
Non-controlling interest, end of year	15,823,742	13,966,331

16. Selling, General and Administration costs

	March 31, 2016	March 31, 2015
Professional fees	634,202	250,257
Consultancy fees	118,357	137,334
Share based payment	520	3,923
Amortisation	2,902	1,292
Employee Incentive Liability	(104,140)	114,794
Salaries and wages	1,568,418	1,514,763
Reallocation of OH to Bearer Assets	(136,873)	(174,457)
Other general and administrative	499,881	1,139,241
	2,583,267	**2,987,147**

17. Cost of sales

	March 31, 2016	March 31, 2015
Direct operating costs	6,032,768	2,552,054
Employee incentive liability	(101,072)	115,086
Amortisation	474,732	578,080
	6,406,428	**3,245,220**

18. Finance cost

	March 31, 2016	March 31, 2015
Interest and bank charges	1,070,261	380,034
Accretion expense	356,918	564,711
Interest income	(21)	(847)
	1,427,158	**943,898**

19. Finance Income

	March 31, 2016	March 31, 2015
Change in warrant liability fair value	-	942,246
Change in Derivative liability fair value	6,292,233	721,901
	6,292,233	**1,664,147**

20. Income Taxes

Income tax expenses are recognized based on management's best estimate of the weighted annual income tax rate expected for the full financial year. The estimated average annual rate used for the year ended December 31, 2015 and the three months ended March 31, 2016 was 35%.

21. Financial instruments

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset and financial liability are disclosed in note 3 of the annual financial statements of the Company for the year ended December 31, 2015.

The following table illustrates the classification of the Company's financial assets and financial liabilities within the fair value hierarchy as at March 31, 2016 and December 31, 2015:

	Financial Instrument Classification	Level	March 31, 2016	December 31, 2015
Financial assets				
Cash	Loans and receivables		2,262,680	5,235,624
Receivables	Loans and receivables		1,017,732	686,561
Derivative assets	Fair value through profit and loss	Level 3	3,072,251	-
Financial liabilities				
Accounts payables and Accrued liabilities	Other financial liabilities		9,383,010	7,904,833
Derivative liability	Fair value through profit and loss	Level 3	-	3,219,982
Debentures	Other financial liabilities		33,794,754	29,376,154
Borrowings	Other financial liabilities		8,643,245	8,460,359

The carrying values of cash, receivables and accounts payables approximate their fair value.

The Company measures certain of its financial assets and liabilities at fair value on a recurring basis and these are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Certain non-financial assets and liabilities may also be measured at fair value on a non-recurring basis. There are three levels of the fair value hierarchy that prioritize the inputs to valuation techniques used to measure fair value, with Level 1 inputs having the highest priority. The three levels of the fair value hierarchy are: Level 1, which are inputs that are unadjusted quoted prices in active markets for identical assets or liabilities; Level 2, which are

inputs other than Level 1 quoted prices that are observable for the asset or liability, either directly or indirectly; and Level 3, which are inputs for the asset or liability that are not based on observable market data.

Fair value hierarchy:
The financial assets and liabilities that are recognized on the consolidated statements of financial position at fair value in a hierarchy that is based on significance of the inputs used in making the measurements. The levels in the hierarchy are:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Financial risk factors:
The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program seeks to minimize potential adverse effects on the Company's financial performance.

(a) Market risk

(i) Foreign exchange risk

The Company's presentation currency is the U.S. dollar and major purchases are transacted in United States dollars. The Company funds certain operations using the Congolese Franc currency from its bank accounts held in the DRC. Management closely monitors the foreign exchange risk derived from currency conversions but does not hedge its foreign exchange risk. Foreign exchange risk arises on recognized assets and liabilities, principally trade payables, cash and investments in foreign operations.

Foreign exchange risk arises when future recognized assets or liabilities are denominated in a currency that is not the subsidiary's functional currency.

(**ii) Interest rate risk**

The Group's interest rate risk arises from the debentures. Changes in interest rates related to fixed debentures would not have impacted net earnings or comprehensive income in the current period. Cash has limited interest rate risk due to its short-term nature.

(b) Credit risk

The Company's credit risk is primarily attributable to receivables. Two customers purchase 89% of the Company's crude palm oil production, with a refining factory owned by Marsavco currently purchasing the majority of such production. The Company does not have a written agreement with either customer and relies upon the terms of verbal arrangements. Although the Company has a good business relationship with both of the customers, there is no guarantee that the Company will be able to continue these relationships or enter into written agreements on terms acceptable to the Company or at all.

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

Management believes that the credit risk concentration with respect to financial instruments included in accounts receivable is low as the majority of the Company's sales are to a large long-standing customer.

(c) Liquidity risk

Cash flow forecasting is performed in the operating entities of the Company and aggregated in head office which monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs at all times.

The Company's approach to managing liquidity risk is to provide reasonable assurance that it can provide sufficient capital to meet liabilities when due (see Note 2). The group maintains sufficient cash and cash equivalents in order to meet short term business requirements. The group's ability to settle other long term liabilities when due is dependent upon future liquidity from capital sources or positive cash flows form business operations.

As at March 31, 2016, the Company had net working capital deficit of $(27,800,440) including a cash balance of $5,235,624. 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 five years.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period from the date of the consolidated statements of financial position to the contractual maturity date.

	March 31, 2016			
	Less than 3 Months	**3 months to 1 year**	**1-5 years**	**Over 5 years**
Trade payables	5,684,036	-	-	-
Accrued expenses	3,880,842	-	-	-
Other payables	1,652,081	-	-	-
Debt	33,633,422	483,996	8,050,049	-

	December 31, 2015			
	Less than 3 Months	**3 months to 1 year**	**1-5 years**	**Over 5 years**
Trade payables	3,055,680	-	-	-
Accrued expenses	4,849,154	-	-	-
Other payables	1,976,374	-	-	-
Debt	29,535,732	478,735	8,097,998	-

Capital management

The Company considers its capital structure to consist of shares, stock options, warrants and convertible debt. 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 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 favor 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.

There were no changes to the Group's capital management approach during the three months ended March 31, 2016. The Group entered into debt arrangements during 2012 and 2015 as detailed in note 12 and note 13.

22. Related party disclosures

Purchase of services from key management personnel Purchase of services:	March 31, 2016	March 31, 2015
Board fees *(1)*	61,250	61,250
	61,250	**61,250**

(1) Board fees paid to non-executive directors

Key management compensation
Key management includes the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer and the directors of the Company. The compensation paid or payable to key management for employee services is as follows:

	March 31, 2016	March 31, 2015
Salaries and short-term employee benefits	283,958	242,688

Change in fair value of share-based payments	March 31, 2016	March 31, 2015
Change in fair value of share-based payments	520	3,604

Payables to related parties	March 31, 2016	March 31, 2015
Board of Directors fees	61,250	61,250
Other Consultancy fees	-	-
Key management compensation	15,000	30,000
	76,250	91,250

The payables to related parties relate to normal course expenses incurred on behalf of the Company.

23. Contingent liabilities

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 board of directors of 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 thereof, will have a material effect on the financial condition or future results of operations. As at March 31, 2016, provisions related to such matters totalled $308,309 (December 31, 2015: $308,309).

24. Subsequent Event

The 2015/2016 Debentures were subsequently amended in Q1 2016 to extend the maturity date until April 30, 2016.

On April 13, 2016, all the conditions precedent were satisfied to facilitate the first drawdown of $15 million from the DFI Debt Facility. Upon the first drawdown, the 2015/2016 Debentures and accrued interest were converted into 291,693,813 common shares of the Company.