FERONIA INC.
INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS –
QUARTERLY HIGHLIGHTS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2016

August 26, 2016

This Management's Discussion and Analysis ("MD&A") has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This MD&A should be read in conjunction with the unaudited consolidated financial statements and accompanying notes for the three months ended June 30, 2016 of Feronia Inc. ("Feronia" or the "Company"). Throughout this MD&A, unless otherwise specified, "Feronia", the "Company", "we", "us" or "our" refer to Feronia Inc. and its subsidiaries.

All amounts are expressed in U.S. dollars ($) unless otherwise stated and have been prepared in accordance with International Financial Reporting Standard ("IFRS") 34 Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board. Throughout this MD&A, references are made to "gross margin". A description of this non-GAAP financial measure and its limitations are discussed below under "Non-GAAP Financial Measures".

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

BUSINESS OVERVIEW

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

At the heart of Feronia lies a long established palm oil business, Plantations et Huileries du Congo S.A ("PHC"), a company incorporated under the laws of the DRC, which has three remotely located plantations; Lokutu, Yaligimba and Boteka.

When Feronia acquired 76.17% of the shares of PHC from subsidiaries of Unilever plc on September 3, 2009, the three plantations had suffered from years of underinvestment and considerable disruption caused by conflict in the DRC.

Feronia's focus has been on rebuilding the business and resuming production to secure its future and the livelihoods of thousands of people it directly and indirectly employs. This process has included the rehabilitation of palm oil mills at the Lokutu and the Boteka plantations and the construction of a new palm oil mill at the Yaligimba plantation which commenced production in October 2013. The Company continues to rehabilitate the internal road systems, implement a substantial replanting program and is in the process of rehabilitating its social infrastructure.

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

Feronia prides itself on being the guardian of its 105 year-old palm oil business and its employees, communities, and environment. It has made a long term commitment to improve the living and working environment of its employees and their communities and is committed to sustainable agriculture, environmental protection and community inclusion. Feronia has in place an Environmental and Social Action Plan ("ESAP") which is focused on implementing environmental and social best practice and improving social infrastructure.

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

Feronia also has an arable farming operation which grows and processes rice and is currently undergoing a two year feasibility study.

OPERATIONS - BUSINESS PERFORMANCE

Oil Palm Plantations: Q2 2016 performance and recent developments

On April 13, 2016, the Company made its first drawdown of $15 million on the secured term facility agreement (the "DFI Debt Facility") for up to $49 million it had secured with a syndicate of European lenders consisting of four development finance institutions ("DFIs") (as described below under "Liquidity and Capital Resources"). The purpose of the DFI Debt Facility is to finance investment into equipment, replanting, fertilizer and environmental and social governance ("ESG") expenditures required as part of the rehabilitation of PHC's three palm oil plantations in the DRC.

The following table shows key data relating to PHC's operations as at and for the six months ended June 30, 2016 ("H1 2016"):

	Six months ended June 30, 2016			Total (as at and for the six months ended June 30)		
	Lokutu	**Yaligimba**	**Boteka**	**2016**	**2015**	**2014**
Production						
Fresh Fruit Bunch ('FFB') production (tonnes)	24,051	25,109	7,675	56,836	41,963	35,489
Crude Palm Oil ('CPO') produced (tonnes)	4,316	5,164	1,533	11,013	8,133	6,511
Oil Extraction Rate ('OER') (%)	17.94	20.57	19.98	19.38	19.38	18.34
FFB Yield/Mature Hectare (tonnes)	3.47	5.24	3.00	3.98	3.85	3.69
CPO Yield/Mature Hectare (tonnes)	0.62	1.08	0.60	0.77	0.75	0.68
Palm Kernel Oil ('PKO') Produced (tonnes)	227	373	-	600	490	465

During the three months ended June 30, 2016 ("Q2 2016") the Company processed 35,560 tonnes of Fresh Fruit Bunches (FFB) and produced 6,968 tonnes of CPO, representing increases on the three months ended June 30, 2015 ("Q2 2015") production levels of 52% and 54% respectively.

For H1 2016, the Company processed 56,836 tonnes of FFB and produced 11,013 tonnes of CPO, representing increases over the corresponding period in 2015 of 35% for both.

These increases can be attributed to:

- an increase in the number of producing hectares of 3,370 ha to 14,271 ha (Q2 2015: 10,901 ha); offset by

- restrictions on the ability to process fruit due to the deteriorating condition of the old Lokutu boiler and fuel shortage for the Yaligimba boiler.

Yields of FFB and CPO per mature hectare were broadly in line with the previous year as a result of the processing restrictions mentioned above and 3,924 ha, representing 27% of all producing hectares, coming into their first year of production where yields are at their lowest. As the trees grow the amount of fruit they produce should increase substantially over the next several years resulting in improved average yields until the plantations reach optimal production levels.

The Company realized an average Oil Extraction Rate ("OER") for Q2 2016 of 19.6% (Q2 2015: 19.4%). For H1 2016, the Company realized an OER of 19.4% (six months ended June 30, 2015: 19.4%). The installation of a new boiler at Lokutu in 2016, followed by new boilers at Yaligimba and Boteka in 2017, and ongoing improvements in operational practices continue to give the Company confidence that achieving an OER similar to those achieved through best practices in Africa is realistic in the medium term.

The following three factors currently have an impact on overall performance of the plantations:

i) *Young age profile of plantation*
The large percentage of immature palms in our plantations will continue to negatively impact our average yield for the next several years. Normal course maturation of our plantations will result in substantially improving yields over time.

ii) *Processing capacity limitations at the Lokutu mill*
The installation of a new boiler at Lokutu in 2016 will facilitate greater throughput at the mill due to higher steam pressure reducing sterilisation times.

iii) *Nutrient deficiencies at Boteka Plantation*
Fertilizer, ground limestone, and guano have been applied to correct the deficiencies which, combined with a normal course fertilizer and soil maintenance regime, we anticipate will result in yield improvements in 2016 and 2017.

The following table shows PHC's plantation profile as at June 30, 2016:

	As at June 30, 2016			Total as at June 30		
	Lokutu	**Yaligimba**	**Boteka**	**2016**	**2015**	**2014**
Plantations (Hectares)						
Immature						
Year 0	-	-	-	**-**	-	1,859
Year 1	140	3,032	-	**3,172**	4,639	5,007
Year 2	2,400	902	437	**3,739**	5,007	3,924
Year 3	2,200	-	675	**2,875**	3,924	2,110
	4,740	3,934	1,112	**9,786**	13,570	12,900
Producing						
4 - 7 Years	3,286	2,732	1,756	**7,774**	5,293	3,941
8 – 18 Years	1,057	948	800	**2,805**	1,362	1,198
19 – 25 Years	2,584	1,108	-	**3,692**	4,246	4,469
	6,927	4,788	1,786	**14,271**	10,901	9,608
Total Planted	11,667	8,722	3,668	**24,057**	24,471	22,508

Note:
Due to the high level of losses of trees planted in Yaligimba in 2013 and 2014 that needed to be replaced, 3,032 ha were reclassified to 2015 plantings.

The total number of producing hectares at June 30, 2016 was 14,271 ha (June 30, 2015: 10,901 ha). The net year-on-year increase of 3,370 ha is a result of 3,924 ha of young palms coming into production in Q1 2016 and 554 ha of old palms being removed during the period.

During 2015, the loss rate of young palms planted in Yaligimba in 2013 and 2014 was found to be unusually high due to a severe infestation of Cromolaena and termites. These trees were subsequently replanted with 1-2 year old trees from the Company's nurseries and the Company decided to reclassify 3,032 ha of 2013 and 2014 plantings as 2015 plantings. Improved plantation management practices, including the introduction of chemical weed control, means that these high loss rates should not recur.

Until the Company secures additional financing, its replanting programme has been reduced considerably. During Q2 2016 the Company replanted 140 hectares of oil palm at Lokutu using 1.5 - 2 year old trees from the Company's nurseries. The Company has classifed these trees as 2015 plantings as they will begin to produce harvestable fruit a year earlier than if they were being grown from younger seedlings. Nursery stocks are continuing to be utilized to replace any young palms from prior years' plantings which are underperforming or have been lost through pests or disease.

The following table shows PHC's operational and social infrastructure as at June 30, 2016:

	As at June 30, 2016				Total as at December 31	
	Lokutu	Yaligimba	Boteka	Total	2015	2014
Palm Nurseries						
Total Hectares	24	20	-	**44**	44	50
Seedlings	176,146	94,640	-	**270,786**	351,701	640,562
Hectares plantable from seedlings	880	473	-	**1,353**	1,758	3,202
Palm Oil Mills						
Palm Oil Mills / Oil Produced	1 / CPO & PKO	1 / CPO & PKO	1 / CPO	**3**	3	3
Palm Oil Mill Capacity (tonnes/hour)	15	23	10	**48**	48	48
Infrastructure						
Operational Roads (Km)	863	643	380	**1,886**	1,886	1,734
Employees	-	-	-	**3,788**	3,853	3,713
Houses	1,985	1,095	640	**3,720**	3,720	3,720
Schools	60	21	13	**94**	94	91
Hospitals	2	1	1	**4**	4	4
Dispensaries	9	3	5	**17**	*17*	15
Health Centres	2	1	2	**5**	5	4

Arable Farming

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 Feronia Arable business. The partner has extensive domestic and international agricultural experience and is funding the feasibility study. The study has now entered its second year and its outcome is as yet unknown.

FINANCIAL PERFORMANCE – Three months and six months ended June 30, 2016

Operating Profit/(Loss)

(Expressed in thousands of US dollars)	Three months ended June 30			Six months ended June 30		
	2016	2015	% Change	2016	2015	% Change
Revenue						
Palm Oil	**3,903**	3,449	13%	**7,869**	5,942	32%
Arable	**-**	14	n/a	**-**	14	n/a
	3,903	3,463	13%	**7,869**	5,956	32%
Cost of sales						
Palm Oil (1)	**(2,306)**	(1,886)	22%	**(8,632)**	(4,714)	83%
Arable	**(62)**	(318)	-81%	**(142)**	(736)	-81%
	(2,368)	(2,204)	7%	**(8,774)**	(5,450)	61%
Gross Profit/(Loss)						
Palm Oil	**1,597**	1,563	2%	**(763)**	1,228	-162%
Arable	**(62)**	(304)	-80%	**(142)**	(722)	-80%
	1,535	1,259	22%	**(905)**	506	-279%
Gross Margin Palm Oil (2)	**41%**	45%		**-10%**	21%	
Selling, general & administrative expenses (1)	**(2,389)**	(2,603)	-8%	**(4,972)**	(5,591)	-11%
Other income/(losses)	**959**	(59)	n/a	**866**	10	n/a
Operating Loss	**105**	(1,403)	-107%	**(5,011)**	(5,075)	-1%

Notes:

(1) 2015 cost of sales and selling & general administrative expenses restated to reflect allocation of overheads to immature trees.

(2) Gross margin is a non-GAAP financial measure. See "Non-GAAP Financial Measures" below.

Total revenues for Q2 2016 were $3,903,000, an increase of $440,000 or 13% on revenues for Q2 2015 of $3,463,000. The increase in revenue can be attributed to:

- CPO sales of $3,386,000, being 7% higher than the prior year (Q2 2015: $3,152,000). This was a result of the volume of CPO sold in Q2 2016 of 5,124 tonnes being 28% higher than in Q2 2015 (Q2 2015: 4,004 tonnes), offset by a 16% reduction in the average CPO price achieved of $661 per tonne compared to $787 per tonne in Q2 2015;
- PKO sales of $315,000 in Q2 2016 (Q2 2015: $211,000) which represent 8% of the total revenue for the quarter; and
- Arable sales of nil in Q2 2016 (Q2 2015: $13,000).

Total revenues for H1 2016 were $7,869,000, an increase of $1,913,000 or 32% on revenues for H1 2015 revenues of $5,956,000. The increase in revenue can be attributed to:

- CPO sales of $6,916,000, being 28% higher than the prior year (H1 2015: $5,420,000). This was a result of the volume of CPO sold in H1 2016 of 10,576 tonnes being 53% higher than in H1 2015 (H1 2015: 6,921 tonnes), offset by a 16%

reduction in the average CPO price achieved of $654 per tonne in H1 2016 compared to $783 per tonne in H1 2015;

- PKO sales of $706,000 in H1 2016 (H1 2015: $355,000) which represent 9% of the total revenue for the period; and

- Arable sales of nil in H1 2016 (H1 2015: $13,000).

Cost of sales for Q2 2016 were $2,368,000 (Q2 2015: $2,205,000), an increase of $163,000 or 7%. The increase was due to a 28% increase in the volume of CPO sold offset by a reduction in Arable costs, the later largely arising from lower amortisation charge following impairement of Arable assets in 2015.

Cost of sales for H1 2016 of $8,774,000 were 61% higher than last year (H1 2015: $5,450,000). The majority of this was a direct result of a 54% increase in tonnes of CPO sold in the period combined with higher maintenance costs of the old Lokutu boiler, offset by a reduction in Arable costs.

Gross margin for Q2 2016 was 41% and a loss of 10% for H1 2016. The high gross margin in Q2 is a result of the second quarter being the Company's peak production period when it experiences its highest FFB yields. By contrast, the first quarter of the year has the lowest production level of the year and, when both quarters are combined, results in a greatly reduced margin for H1. Margins in H1 2016 were lower than for H1 2015 due to reduction in price achieved on sales and higher maintenance costs associated with the old boilers.

Since 2010, the Company has replanted 16,847 ha of new trees of which 7,061 ha, or 42%, were producing in Q2 2016. As a result of the high percentage of immature and young palms in the Company's plantation, the average yield per hectare is low. For 3,924 ha, 2016 is the first year these trees are being harvested and the yields will be at their lowest. This impacts all key operating metrics including cost of goods sold and gross margin. The portfolio of immature and young palms is the Company's core asset. Young plants have a negative contribution to operating results and are a key factor in current gross losses. These losses, which are in line with Company expectations, are expected to reverse as the trees mature and more hectares come into production.

Over time the Company's cost of production on a per tonne basis is expected to decline substantially. Achieving this remains a key objective of the Company.

Selling, general and administrative costs for Q2 2016 of $2,389,000,were $214,000 lower than in Q2 2015 (Q2 2015: $2,603,000), an decrease of 8%. Selling, general and administrative costs for H1 2016 of $4,972,000 were $618,000 lower than in H1 2015 (H1 2015: $5,951,000), a decrease of 11%. These movements relate to a reduction in cost of the arable operation and a reduction in PHC retirement benefits offset by an increase in legal fees in relation to Company's ongoing financing and restructuring activities.

Other income/(losses) are largely a result of foreign exchange gains and losses which arose from movements in exchange rates between the U.S. dollar, Congolese Franc and British Pound in the quarter. In Q2 2016, the gain was $959,000 (Q2 2015 loss: $59,000) and in H1 2016 the gain was $866,000 (H1 2015 gain: $10,000).

Finance Income and Costs

(Expressed in thousands of US dollars)	Three months ended June 30			Six months ended June 30		
	2016	2015	% Change	2016	2015	% Change
Finance Costs	**(1,064)**	(1,087)	-2%	**(2,491)**	(2,031)	23%
Finance Income	**(3,072)**	4,573	n/a	**3,220**	6,238	-48%

Finance costs relate largely to the interest on debentures. The 21% increase in costs in H1 2016 compared to the same period in the prior year is due to the increased number of debentures outstanding in H1 2016.Finance income reflects the change in the IFRS valuation of warrants and derivatives related to the convertible debentures issued in 2015 and 2016. The finance costs and finance income are both non cash items. All of the issued and outstanding 2015/2016 debentures were converted into common shares on April 13, 2016.

Gain (Loss) on Biological Assets and Planting Costs

Under the revised IAS 41, the oil palm trees are no longer classified as biological assets but are valued at cost and amortised over the the assets' expected 25-year economic life. The fruit on the tree at the end of each reporting period is, however, treated as a bioligcal asset and subject to valuation with any changes to valuation charged to the income statement.

The quantity of the fruit on the trees is estimated to equate to one weeks harvest based on the production of the preceding three months. This is then converted to CPO using the current OER and the value is then calculated by multiplying the quantity of CPO by the average selling price less costs of harvesting and transport to the mill.

The young age profile of trees across the plantations means that yields are currently low and costs of production are therefore higher than the achieved selling price for CPO. As a result no value was attributable to the fruit on the trees. In Q2 2016 the gain on biological assets was nil (Q1 2015: nil). For H1 2016, the gain on biological assets was nil (H1 2015: nil).

Net Income/(Loss)

(Expressed in thousands of US dollars)	Three months ended June 30			Six months ended June 30		
	2016	2015	% Change	2016	2015	% Change
Net Income/(Loss)	**(4,509)**	174	n/a	**(4,838)**	(2,879)	68%

Net losses for Q2 2016 were $4,509,000 an increase of $4,335,000 compared to the prior year (Q2 2015 profit: $174,000). This is the result of a decrease in finance income of $7,646,000 resulting from changes to the IFRS valuations of debentures and offset by a decrease in operating losses of $1,223,000, a decrease in finance costs of $63,000 from interest on debentures and by a decrease in income tax expense of $1,430,000.

Net losses for H1 2016 were $4,838,000, an increase of $1,959,000 compared to the prior year (H1 2015 loss: $2,879,000). Of this, $62,000 is due to an decrease in operating losses, $3,018,000 is due to a decrease in finance income resulting from changes to the IFRS valuations of debentures and an increase in finance costs of $460,000 from interest on debentures, offset by a decrease in income tax expense of $1,457,000.

Net Income/ (Loss) Attributal to Owners of the Parent

(Expressed in thousands of US dollars)	Three months ended June 30,			Six months ended June 30,		
	2016	2015	% change	**2016**	2015	% change
Net profit (loss)	**(3,644)**	1,131	(322%)	(2,241)	(1,023)	(219%)

The net loss attributable to the Company for Q2 2016 was $3,644,000 (Q2 2015 net profit: $1,131,000) which is equivalent to $(0.01) per share (Q2 2015 net profit per share: $0.02). The net loss attributable to the Company for H1 2016 was $2,241,000 (H1 2015: net loss $1,023,000) which is equivalent to $0.01 per share (H1 2015: net loss per share $0.02).

Net Profit (loss) Attributable to Non-controlling Interests

The net loss attributable to non-controlling interests for Q2 2016 was $865,000 (Q2 2015 net loss: $957,000) and for H1 2016 was $2,597,000 (H1 2015: net loss $1,856,000) which represent the share of losses attributable to the 23.83% and 20% holdings in PHC and Feronia Arable respectively.

COMPARISON OF FINANCIAL CONDITION

The following table provides a comparison of the Company's financial condition as at June 30, 2016 compared to December 31, 2015:

(Expressed in thousands of US dollars)	**June 30**	December 31	
	2016	2015	% Change
Total current assets	**21,960**	16,585	32%
Total current liabilities	**13,833**	44,386	-69%
Net current assets (liabilities)	**8,122**	(27,801)	n/a
Total shareholder's equity	**38,098**	**10,841**	253%

The changes in financial condition largely reflect the conversion of 2015/2016 debentures to equity and the draw down of the first disbursement from the DFI Debt Facility, which occurred on April 13, 2016.

CASHFLOWS AND LIQUIDITY

The cash balance at June 30, 2016 was $10,061,000 compared to $5,236,000 as at December 31, 2015. The increase in the cash balance of $4,826,000 was a result of net cash inflows from financing activities of $16,263,000, offset by an increase in working capital of $1,275,000 and by a net cash loss from operations (excluding non-cash items) of $5,240,000, capital expenditure of $5,776,000 and and foreign exchange loss of $1,696,000.

The net cash inflows from financing activities relate to the issue of debentures during Q1 2016 and first drawdown of $15 million in Q2 2016 from the DFI debt facility of $49 million agreed on December 21, 2015 (see below under "Liquidity And Capital Resources").

The increase in working capital during H1 2016 of $1,275,000 (decrease in H1 2015: $921,000) comprised of an increase in accounts receivable of $152,000 and a decrease in prepayments of $677,000, an increase in inventory of $1,074,000 and an increase in accounts payable of $1,824,000.

Investing activities in H1 2016 resulted in cash outflows of $5,776,000 (H1 2015: $4,842,000).

LIQUIDITY AND CAPITAL RESOURCES

The Company recorded net cash outflows in operations and investing activities for Q2 2016 and it is probable that this will continue for an additional few years as the Company continues to make significant investments in equipment and infrastructure. Feronia's actual funding requirements will vary based on the factors noted above and its relationships with lead customers and strategic partners.

On November 7, 2013, the Company entered into a convertible loan facility with CDC Group plc ("CDC"), pursuant to which CDC has made available an unsecured non-revolving term loan (the "ESG Facility") in the maximum amount of $3.6 million at an annual interest rate of 12% for a term of five years. The funds available under the ESG Facility are required to be used by the Company to support the implementation of an ESAP developed jointly with CDC. The principal under the ESG Facility will be either repaid or converted into common shares on the maturity date and in certain other circumstances at a rate of CDN$2.40 per common share (subject to customary adjustment provisions). The interest payable under the ESG Facility will be either repaid or, subject to the approval of the TSX Venture Exchange (the "TSXV"), converted into common shares at a rate equal to the greater of CDN$2.40 and the Discounted Market Price (as defined by the policies of the TSXV) at the time of conversion. As of the date of this MD&A, advances and accrued interest under the ESG Facility total $4,182,555 and, as a result, 2,232,787 common shares are issuable thereunder at current exchange rates and assuming a conversion rate of CDN$2.40.

On December 22, 2015 PHC entered into the DFI Debt Facility, a secured term facility agreement for up to $49 million with a syndicate of European DFIs. The amount advanced under the DFI Debt Facility will be repaid semi-annually over a six year period commencing September 2019. The DFI Debt Facility is subject to covenants, pledges and charges typical of a loan facility of this nature and is secured by way of a first ranking security against the assets of PHC and by way of a pledge of the shares of PHC by a Belgian subsidiary of Feronia.

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

On April 13, 2016, all conditions precedent were satisfied to facilitate a first drawdown of $15 million (the "First Drawdown") from the DFI Debt Facility.

In connection with the First Drawdown, all of the principal and interest owing on the 2015/2016 debentures automatically converted into common shares of Feronia at a price of

CDN$0.14 per common share pursuant to the terms of the 2015/2016 debentures. As a result, a total of $31,330,000 principal amount of 2015/2016 debentures and $2,700,946 of accrued interest converted into an aggregate of 291,693,813 common shares.

As at the date of this MD&A the Company had 346,940,761 common shares issued and outstanding.

OUTLOOK

Securing the DFI Debt Facility and satisfying the conditions for the First Drawdown are important developments for the Company's palm oil division. The DFI Debt Facility is in place to finance investment into equipment, replanting, fertilizer and ESG expenditures as part of the rehabilitation of PHC's three palm oil plantations and, as such, will enable the Company to continue to drive value creation through new plantings, increase yields through the utilisation of best practices, improved harvesting and evacuation and the application of fertilizer, and to increase capacity and efficiency in its production process through on-going improvements and investments.

The Company's arable farming division has entered the second year of the two year feasibility study being undertaken by a partner with extensive domestic and international agricultural experience.

In summary, the key objectives of the Company for 2016 are to:

(i) satisfy conditions required to drawdown the second disbursement of the DFI Debt Facility;
(ii) complete the installation of the new Lokutu boiler and advance the procurement process for new boilers at Boteka and Yaligimba; and
(iii) improve operational performance and realize efficiencies in the palm oil business through the continued implementation of best practices and appropriate capital investment.

SUBSEQUENT EVENTS

On August 18, 2016 the Company continued from the Province of Ontario to the Province of British Columbia. The continuance was approved by a special resolution of shareholders at the annual and special meeting of shareholders held on June 20, 2016.

On August 22, 2016 the Company announced that Mr. Joel Strickland had resigned as a Director of the Company and Mr. Ravi Sood had resigned as Executive Chairman of the Company. Mr. Ravi Sood remains an Executive Director of the Company. Mr. Frank Braeken was appointed Non-Exective Chairman and Mr. Nicholas Thompson CBE, Mrs. Monique Gieskes, Mr. David Osborne and Mr. David Easton were appointed as Non-Executive Directors.

On August 22, 2016 the Company announced that it approved the grant of 6,938,800 deferred share units ("DSUs") to each of Mr. Xavier de Carniere, CEO of the Company, and Mr. David Steel, CFO of the Company. Under the terms of the DSU award agreements, 10% of the DSUs granted will vest on the first day of September 2017, 2018, 2019, 2020 and

2021 and up to an additional 10% of the DSUs granted may vest on the first day of January 2018, 2019, 2020, 2021 and 2022 subject to achieving certain performance targets to be determined by the Compensation Committee of the Company.

CHANGES IN ACCOUNTING POLICIES

On January 1, 2016 the Company adopted the revised IAS 41, 'Agriculture'. Under the revised standard trees that had previously been treated as biological assets are now classified as bearer assets with costs for immature trees capitalised and amortised over their economic lives. The fruit on the trees at the end of the reporting period is classified as biological assets and are booked at fair value. Comparative numbers have been restated to reflect these changes.

NON-GAAP FINANCIAL MEASURES

Gross margin is not a financial measure recognized by IFRS and does not have a standardized meaning prescribed by IFRS. The Company's method of calculating gross margin may differ from other methods used. Gross margin is presented in this MD&A as additional information regarding the Company's financial performance. Gross margin has been calculated by deducting cost of sales from revenue.

RISKS AND UNCERTAINTIES

The Company is subject to various business, financial and operational risks that could materially adversely affect the Company's future business, operations and financial condition and could cause such future business, operations and financial condition to differ materially from the forward-looking statements and information contained in this MD&A. For a more comprehensive discussion of the risks faced by the Company, please refer to the Company's annual management's discussion and analysis for the year ended December 31, 2015, available at www.sedar.com

FORWARD-LOOKING STATEMENTS

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

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

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

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