AMG BIOENERGY RESOURCES HOLDINGS LTD.

(Formerly Blandings Capital Limited)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended February 28, 2015
Unaudited

(Amounts expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of the Corporation have been prepared by and are the responsibility of the Corporation's management.

The Corporation's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim consolidated financial statements by an entity's auditor.

Date: April 28, 2015

"*Lee Shoong Lim*"
(Signature)
Chief Executive Officer

Interim Consolidated Financial Statements of

AMG BIOENERGY RESOURCES HOLDINGS LTD.
(Formerly Blandings Capital Limited)

For the three and nine months ended February 28, 2015

(Unaudited)

(Amounts expressed in Canadian Dollars)

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Financial Statements

AMG BIOENERGY RESOURCES HOLDINGS LTD.
(Formerly Blandings Capital Limited)
Interim Consolidated Statements of Financial Position
(Unaudited-Prepared by Management)
(Amounts expressed in Canadian Dollars)

	February 28, 2015	May 31, 2014
Assets	$	$
Current:		
Cash	-	39,034
Restricted cash (note 13)	3,762,726	17,370,535
Prepaid and deposits	13,031	18,264
Total current assets	3,775,757	17,427,833
Non –Current:		
Prepaid and deposit	-	463
Plant and equipment (Note 14)	56,460	-
Intangible Assets-Plantation (Note 12)	1,299,576	1,114,531
Biological assets (note 11)	330,411	291,064
Total non-current assets	1,686,447	1,406,058
Total assets	5,462,204	18,833,891
Liabilities and Shareholders' Equity		
Current:		
Accounts payable and accrued liabilities	503,950	425,430
Due to stakeholder (note 13)	4,367,651	17,370,535
Total current liabilities	4,871,601	17,795,965
Non –Current:		
Due to shareholders (note 9 and 10)	428,452	789,721
Total non-current liabilities	428,452	789,721
Total liabilities	5,300,053	18,585,686
Nature of Operations and Going Concern (note 1)		
Related Party Transactions (note 9)		
Commitments (note 15)		
Shareholders' Equity		
Share capital (note 4)	4,581,279	4,581,279
Other capital reserves (note 6)	842,751	842,751
Foreign currency translation reserve	449,333	95,918
Accumulated deficit	(5,711,212)	(5,271,743)
Total shareholders' equity	162,151	248,205
Total liabilities and shareholders' equity	5,462,204	18,833,891

See accompanying notes to interim consolidated financial statements.

Approved on behalf of the Board:

***"Lee Shoong Lim"* Director**

***"Pang Tit Khuen"* Director**

AMG BIOENERGY RESOURCES HOLDINGS LTD.
(Formerly Blandings Capital Limited)
Interim Consolidated Statements of Operations and Comprehensive Loss
For the three and nine months ended February 28, 2015 and 2014
(Unaudited-Prepared by Management)
(Amounts expressed in Canadian Dollars)

	Three months ended February 28, 2015	Three months ended February 28, 2014	Nine months ended February 28, 2015	Nine months ended February 28, 2014
			$	$
Revenue from sale of biological assets-Eucalyptus	-	-	-	365,164
Cost of sales: Biological asset	(1,392)	(1,392)	(4,175)	(350,426)
Gross profit (loss)	(1,392)	(1,392)	(4,175)	14,738
Other Income/(loss)				
Changes in fair value of biological assets	-	(3,283)	-	2,657
	-	(3,283)	-	2,657
Other operating expenses:				
General and administrative	(101,020)	(100,673)	(352,659)	(273,606)
Financial expenses	(11,467)	(13,133)	(38,105)	(47,678)
Amortization of intangible assets	(14,091)	(14,092)	(42,275)	(42,275)
Depreciation of plant and equipment	(2,255)	-	(2,255)	-
Total expenses	(128,833)	(127,898)	(435,294)	(363,559)
Net Loss	(130,225)	(132,573)	(439,469)	(346,164)
Foreign currency translation	165,868	(45,892)	353,415	(56,894)
Comprehensive income (loss)	35,643	(178,465)	(86,054)	(403,058)
Loss per Share-Basic and diluted	(0.002)	(0.002)	(0.007)	(0.006)
Weighted average number of common Shares outstanding -Basic and Diluted	63,957,055	63,957,055	63,957,055	63,957,055

See accompanying notes to interim consolidated financial statements.

AMG BIOENERGY RESOURCES HOLDINGS LTD.
(Formerly Blandings Capital Limited)
Statements of Shareholders' Deficiency for the nine months ended February 28, 2014 and February 28, 2014
(Unaudited-Prepared by Management)
(Amounts expressed in Canadian Dollars)

	Common Shares		Other capital	Deficit Accumulated during the Development Stage	Foreign Currency Translation Reserve	Total Shareholders' Equity
	Number of Shares	Share Capital $	Reserves $	$	$	$
Balance May 31, 2013	**63,957,055**	**4,581,279**	**842,751**	**(4,696,596)**	**54,912**	**782,346**
Foreign currency translation					(56,894)	(56,894)
Loss for the period				(346,164)		(346,164)
Balance February 28, 2014	**63,957,055**	**4,581,279**	**842,751**	**(5,042,760)**	**(1,982)**	**379,288**
Balance May 31, 2014	**63.957,055**	**4,581,279**	**842,751**	**(5,271,743)**	**95,918**	**248,205**
Foreign currency translation					353,415	353,415
Loss for the period				(439,469)		(439,469)
Balance February 28, 2015	**63.957,055**	**4,581,279**	**842,751**	**(5,711,212)**	**449,333**	**162,151**

See accompanying notes to interim consolidated financial statements.

AMG BIOENERGY RESOURCES HOLDINGS LTD.
(Formerly Blandings Capital Limited)
Interim Consolidated Statements of Cash Flows
For the nine months ended February 28, 2015 and 2014
(Unaudited-Prepared by Management)
(Amounts expressed in Canadian Dollars)

	2015	2014
	$	$
Cash flow used in operating activities:		
Net loss for the period	(439,469)	(346,164)
Items not affecting cash:		
Fair value gain on initial recognition of biological assets	-	-
Change in fair value of biological assets	-	(2,657)
Depreciation of plant and equipment	2,255	-
Amortization of intangible assets	42,275	42,275
Gain on sale of Biological assets	-	(14,738)
Changes in non-cash balances related to operations:		
Prepaid and deposits	5,696	4,175
Accounts payable and accrued liabilities	78,520	92,320
Cash flow used in operating activities	(310,723)	(224,789)
Cash flow from investing activities:		
Restricted cash	13,607,809	-
Due to stakeholder	(13,002,884)	-
Purchase of plant and equipment	(58,715)	-
Proceeds from sale of Biological assets	-	365,164
Cash flow provided by investing activities	546,210	365,164
Cash flow from financing activities:		
Loan from (repayment to) shareholders	(361,269)	(42,196)
Cash flow provided by (used in) financing activities	(361,269)	(42,196)
Effect of Foreign currency exchange rate changes	86,748	(86,209)
Increase (Decrease) in cash during the period	(39,034)	11,970
Cash, beginning of period	39,034	30,537
Cash, end of period	-	42,507

See accompanying notes to interim consolidated financial statements.

1. Nature of Operations and Going Concern

AMG Bioenergy Resources Holdings Ltd. was incorporated under the laws of Canada having its head office and registered office at 190 Middle Road #190-05, Fortune Centre Singapore. AMG Bioenergy Resources Holdings Ltd. (”AMG Holdings” or the “Company”), completed its qualifying transaction with AMG Bioenergy Resources Group Ltd. (“AMG”) on April 26, 2010 (the “Qualifying Transaction”). On April 8, 2010, the TSX Venture Exchange (the “Exchange”) issued its conditional approval of the Qualifying Transaction. The Company’s common shares (“Shares”) resumed trading on the Exchange under the ticker symbol “ABG” after the Exchange’s conditions for listing were satisfied and the Exchange issued its final exchange bulletin on May 13, 2010, confirming the completion of the Qualifying Transaction.

AMG Bioenergy Resources Holdings Ltd. (‘AMG Holdings’) is a public company listed on the TSX Venture Exchange. The substance of AMG Holdings common share issuances and the proposed reorganization is a transaction, which results in AMG Bioenergy Resources Group Ltd. (“AMG”) becoming a listed public entity through AMG’s acquisition of all of AMG Holdings net assets and AMG Holdings recapitalization. While the information and number of shares on the consolidated balance sheet are of AMG Holdings as a legal entity, the share capital are those of AMG. The acquisition of AMG has been accounted for as a capital transaction using the reverse takeover accounting rules for transactions that do not constitute business combinations for accounting purposes. As such, AMG will be the continuing entity for accounting purposes, while the legal share capital will be that of AMG Holdings. AMG Holdings’ share capital, contributed surplus and deficit are eliminated on consolidation of AMG and AMG Holdings. The consolidated financial statements include the accounts of AMG Holdings and its wholly owned subsidiaries AMG Bioenergy Resources Group Ltd. and AMG Bioenergy Plantations Co., Ltd.

The Company issued a notice for change in its year end pursuant to section 4.8 of National Instrument 51-102 from February 28 to May 31. The Company has prepared financial statements for the three and nine months periods ended February 28, 2015 with comparative periods for the three and nine months ended February 28, 2014. New financial year will end in the twelve months to May 31, 2015 with a fifteen month comparative to May 31, 2014 in accordance with National Instrument 51-102 Continuous Disclosure Obligation.

The Company is an emerging renewable energy Company and is currently developing jatropha feedstock plantation and eucalyptus plantation in the Peoples Republic of China (“PRC”) to produce crude jatropha oil for conversion into bio-diesel and also timber from eucalyptus plantation. The Company’s business will involve managing the preparation of the land, the plantation of seedlings, the maintenance of the plantation, the harvesting of jatropha and eucalyptus plantation and the extraction of crude jatropha oil from the seeds harvested. The Company incorporated AMG Bioenergy Plantations Co., Ltd., a wholly owned subsidiary corporation incorporated under the laws of the People’s Republic of China (the “Subsidiary”). On July 13, 2012, the subsidiary acquired a 133 hectare jatropha plantation and a 201 hectare eucalyptus plantation in the People’s Republic of China for a total consideration of US $2.6Million which included $16,700 rent prepaid to July, 2015. Part of the consideration for $1,100,000 was paid by the issuance of 13,750,000 common shares in the capital of the Company at a price of US $0.08 per share.

1. Nature of Operations and Going Concern-Cont'd

The Company entered into an arm's length project management agreement ("Project Management Agreement") with Mr. Tan Wen Tai of Singapore (the "Stakeholder") dated March 24, 2014 with respect to the development of resort condominium residences in Hainan Island (the Project") in the People's Republic of China by Hainan Hua Yan Scientific Resources Co. Ltd. (the Project Company"). The Stakeholder intends to acquire a controlling interest in the Project Company for US $16 million (the "Investment"), and, pursuant to the Project Management Agreement, will rely on the Company as its nominee to not only assist with such acquisition, but to provide various management services related to the Project on behalf of the Stakeholder (the "Management Services"). These include, among other things, accounting and banking services, planning and budgeting services, assisting with obtaining licensing and permits, and quarterly reporting in respect of engineering work (see note 13)

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has accumulated losses of $5,711,212 since inception and has incurred costs related to, research and development and establishing a market for biodiesel. The Company has funded such costs with capital and debt. The Company's ability to continue as a going concern is dependent upon its ability to generate sufficient cash flow to meet its obligations on a timely basis, to obtain additional financing as may be required and ultimately to achieve and maintain profitable operations. The Company raised (net) $1,315,523 during the year ended February 29, 2012. The Company's ability to achieve and maintain profitable operations is dependent upon the Company to establish its market and sell its product. The Company has recurring losses and has reported operating losses since inception. The Company's cash flow requirements in the past have been funded by injections from shareholders in the form of investment capital and debt (pursuant to a Funding Agreement dated March 10, 2008). The Company can thus raise funds on "as needed" basis as per the funding agreement but is also looking to raise funds from third parties by issue of shares and also the generation of revenue from harvest of its plantations. These interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. Basis of Presentation:

The accompanying unaudited interim consolidated financial statements represent the Company's financial results of operations and financial position under adoption of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Therefore, these financial statements comply with International Accounting Standards ("IAS ") 34 "Interim Financial Reporting". As such these interim consolidated financial statements do not include all necessary disclosures that are required for annual statements in accordance with IFRS. These statements should be read in conjunction with the audited May 31, 2014 year-end financial statements.

Quarterly financial information may change depending upon changes to IFRS. Operating results for the nine-month period ended February 28, 2015 are not necessarily indicative of the results that may be expected for the full year ending May 31, 2015.

2. Basis of Presentation (Continued):

Principles of Consolidation

Subsidiaries are all entities (including special purpose entities) controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

These consolidated financial statements include the accounts of AMG Bioenergy Resources Holdings Ltd. ("AMG Holdings") and its legal subsidiaries AMG Bioenergy Resources Group Ltd. domiciled in Singapore and AMG Bioenergy Plantations Co., Ltd. domiciled in PRC. The legal subsidiaries are wholly owned by AMG Holdings. All significant inter-company transactions, balances have been eliminated on consolidation.

3. Significant accounting policies:

The condensed interim financial statements were authorized for issue on April 28, 2015 by the Board of Directors of the Company.

These unaudited interim condensed consolidated financial statements were prepared using the same accounting policies and methods as those described in the consolidated financial statements for the year ended May 31, 2014. These unaudited condensed interim consolidated financial statements are prepared in compliance with International Accounting Standard 34, Interim Financial Reporting (IAS 34). Accordingly, certain information and disclosure normally included in annual financial statements prepared in accordance with International Reporting Standards have been omitted or condensed. These condensed interim consolidated financial statements should be read in conjunction with our audited consolidated financial statements for May 31, 2014.

a) **Recent accounting pronouncements:**

IFRS 7, "Financial Instruments": Disclosures", which requires disclosure of both gross and net information about financial instruments eligible for offset in the statement of financial position and financial instruments subject to master netting agreements. Concurrent with the amendments to IFRS 7, the IASB also amended IAS 32, "Financial Instruments: Presentation" to clarify the exiting requirements for offsetting financial instruments in the statement of financial position. The amendments to IAS 32 are effective for annual periods beginning on or after January 1, 2015. The Company does not expect to have a significant impact on its consolidated financial statements.

IAS 32 "Financial Instruments: Presentation". In December 2011, the IASB issued an amendment to clarify the meaning of the offsetting criterion and the principle behind net settlement, including identifying when some gross settlement systems may be considered equivalent to net settlement. This amendment is effective for the Company's interim and annual consolidated financial statements commencing June 1, 2014. The adoption did not have a significant impact on its consolidated financial statements.

(Amounts expressed in Canadian Dollars)

3. Significant accounting policies (Continued):

a) **Recent accounting pronouncements (Continued):**

IAS 36 "Impairment of Assets". In May 2013, the IASB issued an amendment to address the disclosure of information about the recoverable amount of the impaired assets if that amount is based on fair value less costs of disposal. This amendment is effective for the Company's interim and annual consolidated financial statements commencing June 1, 2014. The adoption did not have a significant impact on its interim consolidated financial statements.

IAS 39 "Financial Instruments: Recognition and Measurement". In June 2013, the IASB issued a narrow scope amendment to IAS 39. Under the amendment, there would be no need to discontinue hedge accounting if a hedging derivative was novated, provided that certain criteria are met. This amendment is effective for the Company's interim and annual consolidated financial statements commencing June 1, 2014. The adoption did not have a significant impact on its interim consolidated financial statements.

IFRS 9 "Financial Instruments". In October 2010, the IASB issued IFRS 9, Financial Instruments ("IFRS 9"). IFRS 9, which replaces IAS 39, Financial Instruments: Recognition and Measurement, establishes principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. This new standard is effective for the Company's interim and annual consolidated financial statements commencing June 1, 2015. The Company is assessing the impact of this new standard on its consolidated financial statements

4. Share capital:

(a) Authorized:

The authorized share capital of the Company consists of an unlimited number of common shares without nominal or par value and an unlimited number of preferred shares, issuable in series. There are no preferred shares issued or outstanding as of November 30, 2014 or May 31, 2014.

(b) Issued:

	Number of common shares	Value stated $
Balance at February 29, 2012	50,207,055	3,481,279
Shares issued for acquisition of intangible assets and biological assets (i)	13,750,000	1,100,000
Balance at May 31, 2014 and February 28, 2015	63,957,055	4,581,279

4. Share capital (Continued):

(i) Shares issued for acquisition of intangible assets and biological assets

In connection with the transaction for the acquisition of the 133 hectare jatropha plantation and a 201 hectare eucalyptus plantation, in the People's Republic of China, pursuant to a Land Use Rights Transfer Agreement between the Company and China Zhejiang Biodiesel Co, Ltd., (" CZBC") dated February 28, 2011, the Company issued 13,750,000 common shares effective March 22, 2012 as part of the purchase consideration.

(c) Escrowed Common shares

Under the requirements of the TSX Venture Exchange, the 3,500,000 initial common shares of AMG Holdings, will be held pursuant to an escrow agreement with 10% to be released upon the issuance of the bulletin announcing the acceptance of the Company's qualifying transaction and 15% thereafter on the 6th, 12th, 18th, 24th, 30th and 36th months following the initial Release. All the escrowed shares have now been released.

(d) Share-based compensation

On June 1, 2007 the Company established a stock option plan (the "Plan") whereby the Company may grant options to purchase common shares to directors, officers, employees and consultants. The Plan has reserved for issuance a number of common shares equal to a maximum of 10% of the common shares issued and outstanding from time to time. Options granted under the Plan will have an exercise price which is not less than the price allowed by regulatory authorities, will be non-transferable and will be exercisable for a period not exceeding five years.

On October 11, 2007, the Company granted 812,500 options to directors and officers. Holders of the options are entitled to purchase common shares at $0.10 per share up to a period of five years from the date of grant. The Company also granted Agent's options to purchase 875,000 common shares at a price of $0.10 per share, which may be exercised in whole or in part, for a period of 24 months from the date the Common shares of the Company are listed on the TSX Venture Exchange, which occurred on October 19, 2007. The Agent's options expired on October 19, 2009.

As of February 28, 2015 and May 31, 2014 there were no stock options outstanding and exercisable.

(e) Loss per share:

Loss per share is calculated on the basis of the weighted average number of 63,957,055 common shares outstanding for the three and nine months ended February 28, 2015 and 63,957,055 common shares outstanding for the three and nine months ended February 28, 2014.

(Amounts expressed in Canadian Dollars)

5. Segmented information:

The Company has two reporting segments Jatropha and Eucalyptus plantations which were acquired during the year ended February 28, 2013 and are located in China. The Income statement by reportable segments is as follows:

For the nine months ended February 28, 2015	Total	China: Jatropha	China: Eucalyptus	Singapore	Canada
	$	$	$	$	$
Revenue from sale of biological assets	-	-	-	-	-
Costs of sales	(4,175)	(885)	(3,290)		
Gross profit (loss)	(4,175)	(885)	(3,290)		
Other income/(loss)					
Changes in fair value of biological assets	-	-	-	-	-
	(4,175)	(885)	(3,290)		
Other operating expenses:					
General and administrative	(352,658)	(23,651)	(88,121)	(192,696)	(48,190)
Financial expenses	(38,105)	-	-	(38,105)	-
Depreciation of plant and equipment	(2,255)	(479)	(1,776)	-	-
Amortization of intangible assets	(42,275)	(1,335)	(40,940)	-	-
Total expenses	(435,293)	(25,465)	(130,837)	(230,801)	(48,190)
Net loss	(439,468)	(26,350)	(134,127)	(230,801)	(48,190)

The Company's assets are located in Singapore, China and Canada and operations are located in China.

Total assets and liabilities at the three locations:

	Total Assets February 28, 2015	Total Liabilities February 28, 2015	Total Assets May 31, 2014	Total Liabilities May 31, 2014
	$	$	$	$
Singapore	4,967	856,195	3,232	949,506
Canada	2,596,951	4,324,093	10,886,536	17,539,521
China	2,860,286	119,765	7,944,123	96,659
	5,462,204	5,300,053	18,833,891	18,585,686

(Amounts expressed in Canadian Dollars)

6. Other capital reserves

The Other capital reserves include waived interest and other charges in the amount of $97,783 due to a shareholder accumulated at December 1, 2009. It also includes waived $454,683 in consulting expenses settled directly by a shareholder with certain consultants by issuance of the Company's common shares in prior years and equity portion of convertible debt credited to contributed surplus for $290,285 for year ended February 28, 2011.

	February 28, 2015	May 31, 2014
Share-based compensation for consulting services	454,683	454,683
Interest waived by shareholders	97,783	97,783
Transfer from equity portion of convertible debts	290,285	290,285
	842,751	842,751

7. Capital Management

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

As at February 28, 2015, the Company had capital resources comprising of equity and debt which included shareholders advances. The Company manages its capital to maintain its ability to continue as a going concern and to be in a position to be able to provide returns to its shareholders and benefits to other stakeholders over the next 3 to 5 years. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company upon approval from its Board of Directors will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances. As such, the Company is dependent on external financing to fund its daily operations. In order to complete its research and development activities and to pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company's financing needs had been funded by shareholders via the Funding Agreement dated March 10, 2008.

The Company also closed a private placement for 4,910,500 common shares at a price of $0.30 per common share during the year ended February 29, 2012. The agent for the private placement was paid cash commission of 10% of the aggregate gross proceeds and was reimbursed for expenses incurred. The Company raised net $1,315,523.

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

There were no changes in the Company's approach to capital management during the three month period ended February 28, 2015.

8. Financial instruments:

(a) Fair value

The Company's financial instruments as of February 28, 2015 include restricted cash, accounts payable and accrued liabilities, due to shareholders and due to stakeholder.

The fair value of financial instruments at February 28, 2015, is summarized as follows:

- The carrying amount of accounts payable and accrued liabilities and due to stakeholder approximates fair value because of their short-term maturities.
- The fair value of the amount due to shareholders approximates its carrying value since the interest rate charged approximates market rate.

(a) Credit risk:

The carrying amount of cash and restricted cash represents the Company's maximum exposure to credit risk in relation to financial assets. The Company has deposited majority of these funds with major banks in respective countries.

No other financial assets carry a significant exposure to credit risk as none of the assets are pledged as security. The Company's objectives, policies and processes for managing and measuring credit risk is limited to monitoring the funds with the major banks in Canada, Singapore and China. The Company believes this risk is insignificant.

(b) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company continuously monitors its working capital position and maintains control over its expenses.

(c) Foreign currency risk:

The Company undertakes transactions denominated in Singapore, Chinese RMB and United States dollars and as such is exposed to fluctuations in foreign exchange rates. The Company is exposed to foreign currency exchange rate risk inherent in its operations denominated in currencies other than Canadian Dollar.

The Company's risk-management strategy does not use derivative financial instruments such as forwards to hedge certain foreign currency exposures. The Company's primary exposures to foreign exchange risk are movements in the Singapore/Canadian, RMB/Canadian and United States/Canadian dollar rates. The Company has not taken any steps to mitigate this risk.

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has interest-bearing liabilities, being advances from shareholders. The Interest rate risk is mitigated by obtaining a fixed interest rate on shareholder advances. The company's exposure to interest rate fluctuations is not significant.

8. Financial instruments (Continued):

(e) Commodity price risk

The ability of the Company to develop its biological assets and the future profitability of the Company is directly related to the market price of jatropha and eucalyptus.

9. Due to Shareholders

The amount due to shareholders as of February 28, 2015 is payable in Singapore dollars, is unsecured, bears interest at 8% per annum and is due to be repaid on March 31, 2016. Interest expense incurred on the amount due to shareholders for nine month period ended February 28, 2015 and February 28, 2014 was $38,105 and $47,678 respectively.

10. Related Party Transactions

The Company's cash flow requirements have been funded by injections from Shareholders in the form of investment capital and debt (pursuant to the Funding Agreement dated March 10, 2008).

	February 28, 2015	May 31, 2014
Due to Shareholders	$ 428,452	$789,721

Major transactions are summarized as follows:

The Company entered into the Funding Agreement with two of its Shareholders on March 10, 2008 whereby the shareholders agreed to provide continued funding for the operations of the Company from the date of the agreement until March 31, 2016 at 8% per annum interest.

During the nine months ended February 28, 2015, the Company expensed $111,033 (SGD $126,000) as compensation to the Company's officers.

During the nine months ended February 28, 2014, the Company expensed $105,345 (SGD $126,000) as compensation to the Company's officers.

During the nine months ended February 28, 2015 the Company accrued interest payable to shareholders for $38,105, being the amount of interest not waived by the shareholders.

During the nine months ended February 28, 2014 the Company accrued interest payable to shareholders for $47,678, being the amount of interest not waived by the shareholders.

(Amounts expressed in Canadian Dollars)

11. Biological assets

Fair value:

Biological assets comprise of 133 hectare jatropha plantation and a 201 hectare eucalyptus plantation acquired on July 13, 2012, in the People's Republic of China, pursuant to a Land Use Rights Transfer Agreement between the Company and China Zhejiang Biodiesel Co, Ltd., (" CZBC") dated February 28, 2011. On the date of acquisition, the jatropha biological asset was valued at $175,009 by an independent valuation using the market method for valuation to arrive at the fair value of the plantation. The eucalyptus plantation was valued at $1,018,233 by an independent valuator using the market method for valuation to arrive at the fair value of the plantation. Changes in fair values as of May 31, 2014 had been determined by an appraisal from an independent valuation. Appraisals by independent third party appraiser used the following major assumptions in their valuations:

All necessary regulatory approvals and permits have been obtained;

There will be no material change in the existing political, legal, fiscal, technological, market and economic conditions in the jurisdiction where the Plantations are located, which will affect the revenues and incomes being generated;

The market return, market risk, interest rates and exchange rates will not differ materially from those presently prevailing and market and economic conditions will not differ materially from those of present or forecasted;

The core business operations of the Plantations will not differ materially from those of present or expected;

The market approach was adopted to assess the fair value of Biological Assets. The fair value of the biological assets for the standing timber of Eucalyptus, average height per tree for harvest is estimated at 14m with lead harvest time of 4years and average volume of standing timber per Eucalyptus tree at 0.095 m3. The valuation for eucalyptus- biological asset considered the quoted price for eucalyptus in China using a 75% recovery rate. The fair value of the biological assets for Jatropha, was estimated considering average number of Jatropha tree per mu at 110 with the lead harvesting time of 4 years.

Changes in fair values as of February 28, 2015 have been determined by management.

	Jatropha	Eucalyptus	Total
Biological Assets	$	$	$
Balance at February 28, 2013	182,000	678,000	860,000
Cost of sale	-	(571,257)	(571,257)
Changes in fair value due to currency translation	6,958	10,339	17,297
Changes in fair values due to re-measurement	(14,976)	-	(14,976)
Balance at May 31, 2014	173,982	117,082	291,064
Changes in fair value due to currency translation	23,519	15,828	39,347
Changes in fair values due to re-measurement	-	-	-
Balance at February 28, 2015	197,501	132,910	330,411

During the fifteen month period ended May 31, 2014, the Company completed the first pre-sale of timber of its eucalyptus plantation without harvest and received payment of $365,164 (US $350,000).

(Amounts expressed in Canadian Dollars)

12. Intangible Assets-Plantation

Intangible assets-plantation comprise of concession rights for use of land to grow 133 hectare jatropha plantation and a 201 hectare eucalyptus plantation in the People's Republic of China. The Company has concession rights for use of land till 2038. Intangible assets thus have finite useful lives and are being amortized annually on a straight-line basis over their estimated useful lives ending in the year 2038. Appraisals from independent valuation were done on acquisition of both the intangible assets being jatropha and eucalyptus and as of May 31, 2014. In assessing value in use, the estimated future cash flows were discounted to their present value using a pre-tax discount rate of 12.22% on acquisition and a discount rate of 16.02% as of the year ended May 31, 2014, to in arriving at the net present value. These rates were used after adjusting for factors such as inflation etc. This reflects current market assessments of the time-value-of-money and the risks specific to the asset. In addition the valuation for the year ended May 31, 2014, considered price of eucalyptus tree per mu at RMB 1,582 after taking into account factors such as harvest costs and price of jatropha seed at RMB 3 per kg. Jatropha seeds produced per tree were estimated at 10kg and number of trees per mu at 110.

The income approach relies on the determination of the net present value of expected cash flows from the sale of jatropha and eucalyptus. Cash flow estimates are made till year 2038 based on the expiry of the concession rights for use of land. The primary cause for impairment in intangible asset-eucalyptus is the change in discount rate for present value of timber in PRC.

Changes in fair values as of February 28, 2015 have been determined by management.

	Jatropha	Eucalyptus	Total
Intangible Assets	$	$	$
Balance at February 28, 2013	45,093	1,075,001	1,120,094
Amortization of intangible assets	(2,224)	(68,235)	(70,459)
Impairment of intangible assets		(2,439)	(2,439)
Changes in fair value due to currency translation	-	67,335	67,335
Balance at May 31, 2014	42,869	1,071,662	1,114,531
Amortization of intangible assets	(1,335)	(40,940)	(42,275)
Impairment of intangible assets	-	-	-
Changes in fair value due to currency translation	2,225	225,095	227,320
Balance at February 28, 2015	43,759	1,255,817	1,299,576

13. Due to stakeholder

The Company entered into an arm's length project management agreement ("Project Management Agreement") with Mr. Tan Wen Tai of Singapore (the "Stakeholder") dated March 24, 2014 with respect to the development of a resort condominium residences in Hainan island (the "Project") in the People's Republic of China by Hainan Hua Yan Scientific Resources Co. Ltd. (the "Project Company").

The Stakeholder intends to acquire a controlling interest in the Project Company for $ 17,694,400 (USD16 million) (the "Investment"), and, pursuant to the Project Management Agreement, will rely on the Company as its nominee to not only assist with such acquisition, but to provide various management services related to the Project on behalf of the Stakeholder (the "Management Services"). These include, among other things, accounting and banking services, planning and budgeting services, assisting with obtaining licensing and permits, and quarterly reporting in respect of engineering work.

As of May 31, 2014, the Company has received USD 16 million from the stakeholder which was reflected as restricted cash in its financial statements. During the nine months ended February 28, 2015, the Company made investments to acquire interests in the project on behalf of the stakeholder. A sum of $ 4,367,651 represents Stakeholders funds un-invested as of February 28, 2015.

The term of the Project Management Agreement is 30 months. If by the end of this term the Stakeholder recoups his investment in the Project Company of $16M USD and realizes an average annual return over the term of the Project Management Agreement of 17.5% (via cumulative dividends), the Stakeholder will remunerate the Company for providing the Management Services by transferring to the Company shares in the Project Company representing not less than a 51% ownership interest. In the event the Stakeholder does not recoup his investment and realize a 17.5% annual return, then the Company may not receive any remuneration for providing the Management Services.

Aside from the costs associated with the Hired Employees, the Company's working capital requirements to fulfill its obligations under the Project Management Agreement are expected to be nominal. Other than these costs, the Company has no other financial obligations or commitments in relating to the Management Services. The Project Management Agreement provides that all working capital requirements relating to the Project and of the Company, up to USD $2M (which the Company has agreed not to exceed), including those related to the Company's out-of-pocket costs (other than remuneration paid to the Company's own employees, which includes the Hired Employees), will be paid or reimbursed by the Project Company. It will be a condition to advancing the Investment to the Project Company that the Project Company agrees to set aside USD $2M for this purpose, all of which will be managed by the Company as part of the Management Services.

(Amounts expressed in Canadian Dollars)

14. Plant and Equipment

Plant and equipment are recorded at cost less accumulated depreciation. Depreciation is provided commencing in the month following acquisition using the following annual rate and method:

Vehicles	30%	declining balance method

February 28, 2015	Cost	Accumulated Amortization	Net Carrying Value
Vehicles	$ 58,715	$ 2,255	$ 56,460

The Company did not own any property and equipment as of May 31, 2014.

15. Commitments

a) The company is committed to pay rent to farmers for its plantation in China at approximately $5,600 per annum commencing July 2015 and ending July 2038.

b) The Company has a lease agreement for its office space in Singapore for approximately $3,600 per month commencing November 15, 2014 and ending May 14, 2015.