FERONIA INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited)

For the three and six months ended June 30, 2019 and 2018

(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 and six months ended June 30, 2019 and 2018 have been prepared by management and approved by the Audit Committee on behalf of the Board of Directors of the Company. These condensed consolidated interim financial statements have not been reviewed by the Company's external auditor.

FERONIA INC.

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(Unaudited)

For the three and six months ended June 30, 2019 and 2018

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

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Condensed consolidated interim statements of financial position
As at June 30, 2019 and December 31, 2018
Expressed in United States Dollars
(unaudited)

	Notes	June 30, 2019	December 31, 2018
Assets			
Current assets			
Cash		7,165,461	2,138,894
Receivables		340,937	294,847
Inventories		9,853,676	10,261,659
Prepaid expenses and other current assets		1,045,693	2,032,147
Biological assets	5	434,930	254,860
		18,840,697	14,982,407
Non-current assets			
Property, plant and equipment	4	104,477,523	94,727,989
Total assets		123,318,220	109,710,396
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	8	14,367,754	17,324,214
Provisions	19	713,019	634,455
Borrowings	9	4,206,400	47,676,066
Other provisions	11	385,521	283,135
		19,672,694	65,917,870
Long-term Liabilities			
Borrowings	9	51,505,261	6,116,606
Derivative liability	10	-	1,954,150
Other long-term provisions	11	2,589,330	2,971,740
Deferred tax liabilities		972,653	909,860
		55,067,244	11,952,356
Total liabilities		74,739,938	77,870,226
Shareholders' equity			
Share capital	6	152,023,272	132,883,443
Share-based payment and other reserves	7	3,841,083	4,322,629
Accumulated other comprehensive income		560,609	534,562
Deficit		(102,851,343)	(101,713,945)
Owners of the parent		53,573,621	36,026,689
Non-controlling interest	12	(4,995,339)	(4,186,519)
Total equity		48,578,282	31,840,170
Total equity and liabilities		123,318,220	109,710,396
Going concern	**2**		
Related parties	**18**		
Contingent liabilities	**19**		

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

On behalf of the Board:

"David White", Director "Frank Braeken", Director

Condensed consolidated interim statements of income (loss)
For the three and six months ended June 30, 2019 and 2018
Expressed in United States Dollars
(unaudited)

	Notes	Three months ended June 30, 2019	Three months ended June 30, 2018 (Restated - Note 3)	Six months ended June 30, 2019	Six months ended June 30, 2018 (Restated - Note 3)
Revenue	13	8,613,351	7,565,150	15,946,093	12,988,701
Cost of sales	14	(5,177,595)	(5,357,690)	(10,549,686)	(8,675,279)
Gross income		3,435,756	2,207,460	5,396,406	4,313,422
Expenses					
Selling, general and administrative	15	(3,151,047)	(2,866,967)	(5,695,585)	(6,350,841)
Other income		(738,287)	137,128	(704,405)	360,722
Gain (loss) on biological assets		(151,764)	93,951	180,070	337,711
Operating income (loss)		(605,341)	(428,428)	(823,514)	(1,338,986)
Finance costs	16	(1,032,235)	(2,084,570)	(3,159,644)	(3,260,473)
Gain (loss) on derivatives		811,621	(221,565)	2,000,236	2,566,234
Income (loss) before income tax		(825,955)	(2,734,563)	(1,982,921)	(2,033,225)
Income tax expense		(33,377)	(114,221)	(227,397)	(257,532)
Net income (loss) for the period		(859,333)	(2,848,784)	(2,210,318)	(2,290,757)
Income (loss) attributable to:					
Owners of the parent		(776,796)	(2,329,058)	(1,341,151)	(1,432,555)
Non-controlling interest		(82,536)	(519,726)	(869,168)	(858,202)
Net income (loss) for the period		(859,332)	(2,848,784)	(2,210,318)	(2,290,757)
Income (loss) per share to owners of the parent					
Basic & Diluted (dollars per share)		(0.001)	(0.005)	(0.002)	(0.003)
		(0.001)	(0.005)	(0.002)	(0.003)
Weighted average number of shares outstanding:					
Basic		597,802,909	483,716,469	541,074,845	477,505,312
Diluted		597,802,909	483,716,469	541,074,845	477,505,312

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

Condensed consolidated interim statements of comprehensive income (loss)
For the three and six months ended June 30, 2019 and 2018
Expressed in United States Dollars
(unaudited)

	Notes	Three months ended June 30, 2019	Three months ended June 30, 2018 (Restated - Note 3)	Six months ended June 30, 2019	Six months ended June 30, 2018 (Restated - Note 3)
Net income (loss) for the period		(859,332)	(2,848,784)	(2,210,318)	(2,290,757)
Other comprehensive income (loss) Items that may be reclassified to net income (loss):					
Cumulative translation adjustment		74,840	(765,437)	45,751	(367,989)
Items that will not be reclassified to net income (loss):					
Actuarial (gain) or loss on employment benefit, net of tax		107,151	(424,449)	244,395	173,179
Total comprehensive income (loss) for the period		(677,341)	(4,038,670)	(1,920,172)	(2,485,567)
Total comprehensive income (loss) attributable to:					
Owners of the parent		(620,339)	(3,417,798)	(1,111,352)	(1,654,731)
Non-controlling interest	12	(57,002)	(620,872)	(808,820)	(830,836)
		(677,341)	(4,038,670)	(1,920,172)	(2,485,567)

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

Condensed consolidated interim statements of changes in equity
For the three and six months ended June 30, 2019 and 2018
Expressed in United States Dollars
(unaudited)

	Attributable to owners of the parent						
	Share capital	Share-based payment and other reserves	Accumulated other comprehensive income (loss)	Retained earnings (deficit)	Total	Non-controlling interest	Total equity
Balance, January 1, 2018	124,383,443	3,941,537	1,221,906	(97,333,952)	32,212,934	(2,392,897)	29,820,037
Net income (loss) for the period	-	-	-	(1,432,554)	(1,432,554)	(858,202)	(2,290,757)
Other comprehensive income (loss)(net of tax)	-	-	(366,555)	-	(366,555)	(1,434)	(367,989)
Actuarial gain on employment benefit, net of tax	-	-	-	144,379	144,379	28,800	173,179
Comprehensive gain (loss) for the period	-	-	(366,555)	(1,288,175)	(1,654,730)	(830,836)	(2,485,567)
Shares issued for cash (net of share issue costs)	8,500,000	-	-	-	8,500,000	-	8,500,000
Share-based compensation	-	410,738	-	-	410,738	-	410,738
Balance, June 30, 2018	132,883,443	4,352,275	855,351	(98,622,127)	39,468,942	(3,223,733)	36,245,208
Balance, January 1, 2019	132,883,443	4,322,629	534,562	(101,713,945)	36,026,689	(4,186,519)	31,840,170
Net loss for the period	-	-	-	(1,341,151)	(1,341,151)	(869,168)	(2,210,318)
Other comprehensive income (loss)(net of tax)	-	-	26,047	-	26,047	19,704	45,751
Actuarial gain on employment benefit, net of tax	-	-	-	203,752	203,752	40,643	244,395
Comprehensive (loss) for the period	-	-	26,047	(1,137,399)	(1,111,351)	(808,820)	(1,920,171)
Shares issued for cash (net of share issue costs)	19,139,829	-	-	-	19,139,829	-	19,139,829
Share-based compensation	-	(481,546)	-	-	(481,546)	-	(481,546)
Balance, June 30, 2019	152,023,272	3,841,083	560,609	(102,851,344)	53,573,621	(4,995,339)	48,578,282

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

Condensed consolidated interim statements of cash flows
For the six months ended June 30, 2019 and 2018
Expressed in United States Dollars
(unaudited)

	Notes	June 30, 2019	June 30, 2018 (Restated - Note 3)
Cash (used for):			
Operating activities:			
Loss from operating activities		(2,210,318)	(2,290,757)
Items not affecting cash:			
Share-based compensation		(481,546)	410,738
Amortisation		2,712,604	1,824,109
Employee incentive liability		(35,629)	(183,489)
Fair value gain on biological assets		(180,070)	(337,711)
Deferred tax expense		63,025	118,199
Change in derivative liability		(2,000,236)	(2,566,234)
Debenture accretion expense		425,647	202,852
Interest on convertible loan and debentures		-	269,187
Unrealised foreign exchange (gain) loss		92,327	(565,466)
		(1,614,196)	(3,118,572)
Changes in non-cash working capital:			
Receivables		(46,090)	664,839
Inventories		407,983	(1,437,363)
Prepaid expenses and other current assets		986,454	(2,772,373)
Accounts payable and accrued liabilities		(3,568,045)	300,668
		(2,219,698)	(3,244,229)
Cash used in operating activities		(3,833,894)	(6,362,801)
Financing activities:			
Issuance of shares (net of costs)		19,139,829	8,500,000
Overdraft facility		690,149	1,505,156
Cash from financing activities		19,829,978	10,005,156
Investing activities:			
Capital expenditures		(10,841,997)	(8,937,462)
Cash used in investing activities		(10,841,997)	(8,937,462)
Foreign exchange gain (loss) on currency translation		333,426	(44,657)
Increase (decrease) in cash		5,487,513	(5,339,764)
Cash, beginning of period		2,138,894	17,141,398
Cash, end of the period		7,626,407	11,801,634
Cash paid for income tax		142,524	712
Interest paid		2,576,446	2,188,884

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

1. Nature of operations

Feronia Inc. (“Feronia” or the “Company”), incorporated under the laws of British Columbia, Canada, operates through its subsidiaries in the business of agriculture, producing palm oil and palm kernel oil in the Democratic Republic of Congo (the “DRC”).

Feronia Maia sprl. (“Feronia Maia”), a private Company, incorporated under the laws of Belgium by Memorandum and Articles of Association dated December 3, 2015, is 100% owned by the Company.

Feronia Incorporated Services Limited, 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 83.37% owned and 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 and controlled by Feronia Maia.

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

Feronia RDC sarl, 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 1000 – 595 Burrard Street, Vancouver, British Columbia, Canada, V7X 1S8. The Company is governed by the law of the Province of British Columbia, 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 includes a provision which purports to limit the rights of foreign corporations to farmland in the DRC. 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 16.63% by the DRC government and 20% by a private DRC corporation, respectively.

The Group 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 Group’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 Group and the Agriculture Law is not amended, it could have a material and substantial adverse effect on the value of the Group’s business and its share price. In such case, the Group 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.

The Group is continuing to monitor the status of the Agricultural Law. At this time, management has determined that it is in the best interest of the Group to take no action in respect of the Agriculture Law.

2. Basis of presentation and going concern

These condensed consolidated interim financial statements for the three and six months ended June 30, 2019 and 2018 (the "Interim Financial Statements") have been prepared in accordance with International Financial Reporting Standard ("IFRS") as issued by the International Accounting Standards Board ("IASB"), including International Accounting Standards ("IAS") 34, Interim Financial Reporting. These Interim Financial Statements should be read in conjunction with Feronia's most recently issued annual audited consolidated financial statements for the year ended December 31, 2018 (the "Annual Financial Statements") 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 3 of the Annual Financial Statements, and have been consistently applied in the preparation of these Interim Financial Statements, except for the adoption of new and amended accounting standards as set out below. These Interim Financial Statements were approved by the Audit Committee on behalf of the Board of Directors of the Company for issue on August 29, 2019.

These interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes 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.

As at June 30, 2019, the Group had a secured term facility (the "DFI Debt Facility") of $47,837,077 (December 31, 2018 – $47,676,066). On December 20, 2018, March 14, 2019 and May 21, 2019, the Company entered into unsecured subordinated short term loan facilities (the "Short Term Loan Facilities") for up to $3,000,000, $8,000,000 and $1,500.000, respectively. As at March 31, 2019, an aggregate of $9,500,000 had been advanced to the Company under the Short Term Loan Facilities by CDC Group plc ("CDC") and KN Agri LLC ("KN Agri"). On May 21, 2019, CDC advanced a further $1,500,000 to the Company bringing the total advanced under the Short Term Loan Facilities to $11,000,000. KN Agri subsequently assigned its interest in the Short Term Loan Facilities to Straight KKM2 Limited ("KKM"). The Short Term Loan Facilities bore interest at a rate of 12% per annum and matured on May 31, 2019, subject to acceleration in certain circumstances.

On May 31, 2019, the Company completed a private placement of common shares issued to existing shareholders CDC, KKM, and Golden Oil Holdings Limited ("GOHL") at a price of CDN$0.075 per common share for gross proceeds of $19,311,507 (the "Private Placement"). Based on a fixed exchange rate of CAD$1.344:US$1.00 as set out in the applicable subscription agreements, the Company issued an aggregate of 346,062,202 common shares pursuant to the Private Placement, including 202,702,203 common shares issued in settlement of the Short Term Loan Facilities provided by KKM and CDC in the aggregate amount of approximately US$11,311,507.

It is management's view that current resources including funds drawn down to date from its various debt facilities and proceeds from its equity financings will not be sufficient to see the Group through to meet its ongoing operations. With the aim of remedying the Group's financial resources, management is reviewing various financial alternatives.

These conditions indicate material uncertainty that may cast significant doubt as to the ability of the Group 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 Interim 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 Group 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.

New Accounting standards adopted during the year

In January 2016, the IASB issued IFRS 16 "Leases" ("IFRS 16"), which replaces IAS 17 "Leases", and is effective for annual periods beginning on or after January 1, 2019. IFRS 16 specifies how an entity will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for most leases on its balance sheet, as well as corresponding depreciation and interest expense. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

The Company leases various office building, corporate apartments, vehicles and lands. Contracts are typically made for fixed periods of 1-3 years for all except for the lands which are for 25 years, but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Until the 2018 financial year, leases of property, plant and equipment were classified as either finance or operating leases. Payments made under operating leases were charged to profit or loss on a straight-line basis over the period of lease.

Expressed in United States Dollars, except where otherwise noted

From January 1, 2019, leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit and loss and right-of-use asset depreciated over the shorter of the life of the asset and the lease term on a straight-line basis.

The Company has elected not to recognize assets and lease liabilities for short-term leases that have a lease term of 12 months or less, and leases of low-value assets. Lease payments associated with these leases will be recognized as a straight-line expense over the lease term. Adoption of IFRS 16 resulted in the recognition of additional lease liabilities and right-of-use assets on the balance sheet, a corresponding increase in depreciation and interest expense representing the accretion of the discount on the lease liability, and a decrease in lease and rental expenses. Cash flow from operating activities is increased under IFRS 16 as lease payments for additional right-of-use asset leases are be recorded as financing outflows in the statement of cash flows. The liabilities were measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate as of January 1, 2019. The weighted average incremental borrowing rate applied to the lease liabilities on January 1, 2019 was 12%, consistent with other finance leases in place.

3. Impact of voluntary change in accounting policy for bearer assets

The Group has voluntarily changed its accounting policy for bearer assets. In accordance with IAS 16, 'Property, plant and equipment', immature trees are accounted for as self-constructed items of property, plant and equipment. Directly attributable costs of construction are capitalised until the assets are in the condition necessary to be capable of operating in the manner intended by management. In 2018, the Group reassessed the point at which the bearer assets are in this condition. Based on the company's and industry yield profiles, the bearer assets are not considered to be fully capable of operating in the manner intended by management until they reach their full FFB bearing potential. Management has amended the capitalisation treatments applied to the bearer assets to provide more reliable and relevant information about the costs incurred as the plants continue to develop to achieve full operating potential:

	Capitalisation rate	
	Before change in policy	**After change in policy**
Years 0 - 3	100%	100%
Year 4	0%	90%
Year 5	0%	75%
Year 6	0%	60%
Year 7	0%	50%
Year 8	0%	40%
Year 9	0%	30%
Year 10+	0%	0%

Comparative amounts for Q2 2018 have been restated to bring them in line with the change in accounting policy.

Below are the impact of the restatement on the condensed consolidated interim statements of income (loss), comprehensive income (loss) and cash flows.

Expressed in United States Dollars, except where otherwise noted

Change in condensed consolidated interim statements of income (loss) due to change in Accounting Policy
For the three and six months ended June 30, 2018

	Three months ended June 30,		Impact of change in Accounting policy	Six months ended June 30,		Impact of change in Accounting policy
	2018 As reported	2018 (Restated)		2018 As reported	2018 (Restated)	
Revenue	7,565,150	7,565,150	-	12,988,701	12,988,701	-
Cost of sales	(6,723,175)	(5,357,690)	1,365,485	(11,406,250)	(8,675,279)	2,730,971
Gross profit (loss)	841,975	2,207,460	1,365,485	1,582,451	4,313,422	2,730,972
Finance costs	(2,193,702)	(2,084,570)	-	(3,478,736)	(3,260,473)	218,263
Gain (loss) on derivatives	(221,565)	(221,565)	-	2,566,234	2,566,234	-
Income (loss) before income tax	(4,209,180)	(2,734,563)	1,474,617	(4,982,459)	(2,033,225)	2,949,234
Income tax expense	(114,221)	(114,221)	-	(257,532)	(257,532)	-
Net loss for the year	(4,323,401)	(2,848,784)	1,474,617	(5,239,991)	(2,290,757)	2,949,234
Loss from discontinued operations	-	-	-	-	-	-
Net loss for the year	(4,323,401)	(2,848,784)	1,474,617	(5,239,991)	(2,290,757)	2,949,235
Income (loss) attributable to:						
Owners of the parent	(3,558,446)	(2,329,058)	1,229,388	(3,891,331)	(1,432,555)	2,458,776
Non-controlling interest	(764,955)	(519,726)	245,229	(1,348,660)	(858,202)	490,458
Net Income (loss) for the year	(4,323,401)	(2,848,784)	1,474,617	(5,239,991)	(2,290,757)	2,949,234
Loss per share Basic & Diluted (dollars per share)	(0.01)	(0.00)	0.00	(0.008)	(0.003)	0.005

Expressed in United States Dollars, except where otherwise noted

Change in condensed consolidated interim statements of comprehensive income (loss) due to change in Accounting policy
For the three and six months ended June 30, 2018

	Three months ended June 30,			Six months ended June 30,		
	2018	2018		2018	2018	
	As reported	(Restated)	Impact of change in Accounting policy	As reported	(Restated)	Impact of change in Accounting policy
Net loss	(4,323,401)	(2,848,784)	1,474,617	(5,239,991)	(2,290,757)	2,949,234
Other comprehensive income (loss)						
Cumulative translation adjustment	(765,437)	(765,437)	-	(367,989)	(367,989)	-
Actuarial (loss) gain on employment benefit, net of tax	(424,449)	(424,449)	-	173,179	173,179	-
Total comprehensive loss	(5,513,287)	(4,038,670)	1,474,617	(5,434,801)	(2,485,567)	2,949,234
Total comprehensive income (loss) attributable to:						
Owners of the parent	(3,576,544)	(3,417,798)	158,746	(4,113,507)	(1,654,731)	2,458,776
Non-controlling interest	(1,936,743)	(620,872)	1,315,871	(1,321,294)	(830,836)	490,458
	(5,513,287)	(4,038,670)	1,474,617	(5,434,801)	(2,485,567)	2,949,234

Change in condensed consolidated interim statements of cash flows due to change in Accounting policy
For the three and six months ended June 30, 2018

	June 30, 2018	June 30, 2018	
	As reported	(Restated)	Impact of change in Accounting policy
Cash (used for):			
Operating activities:			
Loss from operating activities	(5,239,991)	(2,290,757)	2,949,234
Investing activities:			
Acquisition of assets	(5,988,228)	(8,937,462)	(2,949,234)
Cash used in investing activities	(5,988,228)	(8,937,462)	(2,949,234)

Expressed in United States Dollars, except where otherwise noted

4. Property, plant and equipment

	Land	Buildings	Plant and equipment	Motor vehicles	Leased land, Vehicles and Property	Bearer assets	Assets under construction	Total
Year ended December 31, 2018								
At January 1, 2018	2,094,589	5,490,466	16,825,822	554,358	-	31,455,140	22,762,467	79,182,842
Additions	-	-	-	-	-	-	20,033,878	20,033,878
Disposals	-	-	(340,035)	(25,911)	-	-	-	(365,946)
Transfers	-	2,099,317	6,873,844	1,849,055	-	6,377,972	(17,200,188)	-
Depreciation	-	(172,525)	(2,663,120)	(389,797)	-	(897,343)	-	(4,122,785)
At December 31, 2018	2,094,589	7,417,258	20,696,511	1,987,705	-	36,935,769	25,596,157	94,727,989
At December 31, 2018								
Cost	2,094,589	8,716,129	32,442,553	3,798,255	-	39,287,911	25,596,157	111,935,594
Accumulated depreciation	-	(1,298,871)	(11,746,042)	(1,810,550)	-	(2,352,142)	-	(17,207,605)
Net book value	2,094,589	7,417,258	20,696,511	1,987,705	-	36,935,769	25,596,157	94,727,989
Period ended June 30, 2019								
At December 31, 2018	2,094,589	7,417,258	20,696,511	1,987,705	-	36,935,769	25,596,157	94,727,989
Right-of-use assets - on adoption of IFRS 16 (Note 3)	-	-	-	-	1,620,140	-	-	1,620,140
At January 1, 2019	2,094,589	7,417,258	20,696,511	1,987,705	1,620,140	36,935,769	25,596,157	96,348,129
Additions	-	-	-	-	-	-	10,841,997	10,841,997
Transfers	-	-	220,160	-		-	(220,160)	-
Depreciation	-	(127,986)	(1,377,896)	(315,596)	(296,266)	(594,859)	-	(2,712,603)
At June 30, 2019	2,094,589	7,289,272	19,538,775	1,672,109	1,323,874	36,340,910	36,217,994	104,477,523
At June 30, 2019								
Cost	2,094,589	8,716,129	32,662,713	3,798,255	1,620,140	39,287,911	36,217,994	124,397,731
Accumulated depreciation	-	(1,426,857)	(13,123,938)	(2,126,146)	(296,266)	(2,947,001)	-	(19,920,208)
Net book value	2,094,589	7,289,272	19,538,775	1,672,109	1,323,874	36,340,910	36,217,994	104,477,523

During the six months ended June 30, 2019, the Group capitalized borrowing costs of $696,810 (June 30, 2018: $228,762) on qualifying assets. Borrowing costs were capitalized at the weighted average of the Group's general borrowings at a rate of 9.57% up until March 14, 2019 and 9.68% from that date.

Expressed in United States Dollars, except where otherwise noted

5. Biological assets

The figures in respect of fresh fruit bunches ("FFB") prior to harvest are based on the average selling price of the oil for the period ended June 30, 2019 less the cost of harvesting and evacuation of FFB. The market price is applied to a weight of crude palm oil ("CPO") which is calculated on the estimated weight of FFB on the oil palms using the average oil extraction rate achieved for the period. The weight derives from the assumption that the maximum amount of ripe fruit on oil palms can be no more than the amount of production that would normally be achievable in the period between harvest rounds. Based on this, the Group estimates the amount of fruit on the oil palms to be used in the calculation of this value is one week's average harvest based on the actual harvest for the first week of the following month.

	June 30, 2019	December 31, 2018
Biological assets, beginning of period	254,860	319,078
Biological (loss)/gain for the period	180,070	(64,218)
Biological assets, end of period	434,930	254,860

6. Share capital

	Shares #	Shares (amount)
Balance, December 31, 2018	424,547,025	124,383,443
Shares issued for cash (i)	59,169,444	8,500,000
Balance, December 31, 2018	483,716,469	132,883,443
Shares issued for cash (net of share issue cost) (ii)	346,062,202	19,139,829
Balance, June 30, 2019	829,778,671	152,023,272

(i) On September 25, 2017, the Company entered into a subscription agreement for the private placement of common shares of the Company to KKM at a price of CDN$0.18 per common share for gross proceeds of $17,500,000. The Company closed the first $9,000,000 tranche of the private placement on October 16, 2017, based on a fixed exchange rate of CDN$1.253 per $1.00 as set out in the applicable subscription agreement, and the second tranche of the private placement of $8,500,000 on January 19, 2018. The Company issued 62,650,000 common shares on October 17, 2017 and 59,169,444 common shares on January 19, 2018 to KKM at CDN$0.18 per common share. The Company incurred transaction costs of $750,020 in connection with the private placement.

(ii) On May 31, 2019, the Company completed the Private Placement of common shares to CDC, KKM and GOHL at a price of CDN$0.075 per common share for gross proceeds of $19,311,507. The Company issued an aggregate of 346,062,202 common shares pursuant to the Private Placement, including 202,702,203 common shares issued in settlement of the Short Term Loan Facilities provided by KKM and CDC in the aggregate amount of approximately US$11,311,507. The Company incurred transaction costs of $171,678 in connection with the Private Placement.

Expressed in United States Dollars, except where otherwise noted

7. Share-based payment and other reserves

	June 30, 2019	December 31, 2018
Balance, beginning of the year	4,322,629	3,941,537
Deferred share units ("DSUs") vesting	(4811,546)	381,092
Balance, end of the year	3,841,083	4,322,629

The following table summarizes movements in the DSUs during the period ended June 30, 2019.

	Number of DSUs	Weighted Average Exercise Price $
Balance, December 31, 2018	13,986,007	0.20
Forfeited/Cancelled	(9,348,893)	0.20
Issued	13,877,600	0.06
Balance, June 30, 2019	18,514,714	0.10

As at June 30, 2019, the Company had the following outstanding DSUs:

Date of Grant	Remaining Contractual Life (Years)	Expiry Date	Number of DSUs Outstanding #	Number of DSUs Exercisable #	Weighted Average Exercise Price $	Grant date fair value of Options Outstanding $
January 1, 2015	0.51	January 1, 2020	675,062	675,062	0.33	222,771
April 28, 2017	2.51	September 1, 2022	3,962,052	3,962,052	0.19	752,790
June 18, 2019	5.51	January 1, 2025	13,877,600	-	0.06	9,973
Total DSUs			18,514,714	4,637,114	0.10	985,534

The vested deferred share units are only cancelled or forfeited on holder's early departure from the company.

8. Accounts payable and accrued liabilities

	June 30, 2019	December 31, 2018
Trade payables	3,155,351	8,039,507
Accrued expenses	2,894,177	3,495,180
Advance received from customers	4,138,204	512,128
Interest payables	2,044,982	1,413,728
Overdraft facility in PHC	690,149	2,468,492
Other payables	1,444,891	1,395,179
	14,367,754	17,324,214

9. Borrowings

The Company has the following borrowings as of June 30, 2019 and December 31, 2018.

	June 30, 2019	December 31, 2018
Debentures issued during 2012 (a)	2,382,524	2,150,580
Convertible Loan agreement (b)	4,083,004	3,966,026
DFI Debt Facility (c)	47,837,077	47,676,066
Finance lease obligation (d)	1,409,056	-
	55,711,662	53,792,672

	June 30, 2019	December 31, 2018
Current portion	4,206,400	47,676,066
Non-current portion	51,505,261	6,116,606
Borrowings, at the end of period	55,711,661	53,792,672

(a) Debentures

	June 30, 2019	December 31, 2018
Debentures, beginning of year	2,150,580	2,083,957
Debenture accretion expense	147,659	225,979
Exchange (gain) or loss on Debentures	84,285	(159,356)
Borrowings, at the end of period	2,382,524	2,150,580

In 2012, the Company issued by way of private placement convertible debentures with an aggregate principal amount of CDN$5,363,000 (the "2012 Debentures"). The 2012 Debentures bear interest at a rate of 12.0% per annum, payable semi-annually and were initially due and payable on July 24, 2017. The principal amount of the 2012 Debentures was initially convertible at the holder's option into common shares at any time prior to the close of business on July 24, 2017 at a conversion price of CDN$1.75 (post-consolidation) per share. The 2012 Debentures are governed by a trust indenture between the Company and TSX Trust Company dated July 24, 2012, as amended and supplemented from time to time. On July 19, 2017, the Company obtained the consent by extraordinary resolution of the holders of its 2012 Debentures for certain amendments to the trust indenture including a reduction in the conversion price to CDN$0.275 per share and an extension of the maturity date until July 24, 2022 (the amended 2012 Debentures being hereinafter referred to as the "2017 Debentures").

The substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and recognition of a new financial liability. On July 24, 2017, the 2012 Debentures were derecognised and a new financial liability was measured and recognised based on the new terms in the amended agreement.

The carrying value of the 2017 Debentures is subsequently measured at amortised cost 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 remaining life of the debt. This accretion is based on the effective interest method. As of June 30, 2019, the carrying value of the 2017 Debentures (including foreign currency and accretion) was $2,382,524. The Company incurred transaction costs of $197,954 in July 2017 associated with the amendment to trust indenture. The transaction costs were netted against the fair value of the convertible debt.

As the conversion feature on the 2017 Debentures is denominated in Canadian dollars, the amended agreement contains an embedded derivative related to this conversion feature. The embedded derivative liability was initially measured at fair value and is being subsequently measured at fair value, with gains and losses recorded on the consolidated statement of loss.

(b) Convertible loan agreement

	June 30, 2019	December 31, 2018
Convertible Loan agreement - Debt	-	4,871,995
Convertible Loan agreement - Interest	-	269,187
Loan as at June 19, 2018	-	5,141,182
New loan facility as at June 19, 2018		5,141,182
Debentures, beginning of year	3,966,026	-
Transaction cost associated with Conversion of to debentures	-	(58,175)
Future value of Conversion option transferred to Derivative	-	(1,230,127)
Accretion Expense	116,978	113,146
Debt, as at the end of period	4,083,004	3,966,026

On June 19, 2018, the Company refinanced its existing convertible loan agreement with CDC in the aggregate amount of $5,141,182 (including principal and accrued interest). The convertible loan was first provided to the Company in November 2013 by CDC, to support the implementation of an environmental and social action plan designed to strengthen the Company's environmental and social standards and to enhance community facilities. Transaction costs of $58,175 were incurred as part of the loss on the extinguishment of the original debt.

The Company and CDC have entered into a new loan facility (the "New Loan Facility") for the amount outstanding relating to principal payments and accrued interest payments under the previous arrangement of $5,141,182. The original debt matured on refinancing and no gain or loss was recognized. The principal amount of the New Loan Facility bears interest at 12% per annum and is convertible into common shares in the capital of the Company at a conversion price of CDN$0.275 per common share. Any common shares issuable upon the conversion of the New Loan Facility are subject to a statutory four month and a day hold period from the date of the New Loan Facility in accordance with applicable securities legislation.

As the conversion feature on the New Loan Facility is denominated in Canadian dollars, the agreement contains an embedded derivative related to this conversion feature. The embedded derivative liability was initially measured at fair value and is being subsequently measured at fair value, with gains and losses recorded on the consolidated statement of loss.

(c) DFI Debt Facility

	June 30, 2019	December 31, 2018
DFI Debt Facility drawn	47,676,066	47,463,582
Accretion Interest	161,011	212,484
	47,837,077	47,676,066

On December 21, 2015, the Group entered into the DFI Debt Facility for up to $49,000,000 with a syndicate of European lenders consisting of four development finance institutions. The amount advanced under the DFI Debt Facility will be repaid semi-annually over a six year period commencing September 2019. The first drawdown on the DFI Debt Facility of $15,000,000 occurred on April 13, 2016, the second drawdown of $10,000,000 occurred on February 13, 2017, the third drawdown of $10,000,000 occurred on June 9, 2017 and the last drawdown of $14,000,000 occurred on November 3, 2017. The transaction cost of the borrowing is $1,820,606. The transaction cost will be amortised over the period of the loan.

Expressed in United States Dollars, except where otherwise noted

The purpose of the DFI Debt Facility is to finance investment into equipment, replanting, fertilizer and environmental and social governance expenditures required as part of the rehabilitation of PHC's three palm oil plantations in the DRC. The rate of interest on each loan for the each interest period is percentage rate per annum, which is aggregate of the applicable (a) margin; and (b) LIBOR. The interest and any fees on the DFI Debt Facility are payable on March 15th and September 15th of each year ending up until September 15, 2024.

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.

(d) Finance lease obligation

The Company leases various office building, corporate apartments, vehicles and lands. Contracts are typically made for fixed periods of 1-3 years for all except for the lands which are for 25 years, but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Adoption of IFRS 16 resulted in the recognition of additional lease liabilities and right-of-use assets on the balance sheet, a corresponding increase in depreciation and interest expense representing the accretion of the discount on the lease liability, and a decrease in lease and rental expenses. Cash flow from operating activities is increased under IFRS 16 as lease payments for additional right-of-use asset leases are be recorded as financing outflows in the statement of cash flows. The liabilities were measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate as of January 1, 2019. The weighted average incremental borrowing rate applied to the lease liabilities on January 1, 2019 was 12%, consistent with other finance leases in place.

As at June 30, 2019, the Company had the following finance lease obligation.

	June 30, 2019	**December 31, 2018**
Current portion	552,961	-
Non-current portion	856,095	-
Finance lease obligation, at the end of period	1,409,056	-

10. Derivative liabilities

	June 30, 2019	**December 31, 2018**
Derivative liability, beginning of year	1,954,150	4,466,380
Derivative liability of convertible loan [Note 11(b)]	-	1,230,126
Change in fair value	(2,000,236)	(3,512,391)
Exchange (gain) / loss on Embedded Derivatives	46,086	(229,965)
Derivative liability, end of period	-	1,954,150

The embedded derivative relating to the conversion feature on the 2017 Debentures was recognised at its fair value upon initial measurement, which is equal to the present value of the future cash flows, discounted using the prevailing market rate for a similar instrument with similar credit risk. Changes in fair value are recorded in the consolidated statement of loss.

The embedded derivative relating to the conversion feature on the convertible loan was recognised at its fair value of $1,230,126 upon initial measurement, which is equal to the present value of the future cash flows, discounted using the prevailing market rate for a similar instrument with similar credit risk. Changes in fair value of derivatives are recorded in the consolidated statement of loss. Due to drop in the share price, the value of derivative has been valued at Nil as at June 30, 2019.

Expressed in United States Dollars, except where otherwise noted

11. Other provisions

Through its acquisition of PHC in 2009, the Group assumed PHC's employee incentive plan. The obligation 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 as at June 30, 2019 and December 31, 2018. Information about the employee incentive plan for the period ended June 30, 2019 and December 31, 2018 is as follows:

Benefit liability	June 30, 2019	December 31, 2018
Accrued benefit obligation, beginning of period	3,254,875	3,747,367
Current service cost	53,268	115,741
Interest cost	240,112	539,279
Benefit paid during the period	(311,341)	(912,227)
Effect of foreign exchange	(17,668)	(110,201)
Actuarial (gains)/loss	(244,395)	(125,084)
Accrued benefit obligation, end of period	2,974,851	3,254,875

The weighted average assumptions in measuring the accrued employee incentive liability for the periods ended June 30, 2019 and December 31, 2018 use the Canadian 3 to 10 year bond yield rate of 1.3%.

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

	June 30, 2019	December 31, 2018
Current portion	385,521	283,135
Non-current portion	2,589,330	2,971,740
Accrued benefit obligation, end of period	2,974,851	3,254,875

12. Non-controlling interest

Non-controlling interest includes the DRC government's 16.63% interest in PHC and Plantations Elevages Kitomesa sarl's 20% interest in Feronia PEK. Percentage of profit or loss on each component of other comprehensive income is attributed to the owners of the non-controlling interests.

	June 30, 2019	December 31, 2018
Non-controlling interest, beginning of period	4,186,519	2,392,897
Share of loss	808,820	1,793,622
Non-controlling interest, end of period	4,995,339	4,186,519

Expressed in United States Dollars, except where otherwise noted

13. Revenue

The following is the breakdown of revenue as per product. Substantially all of the Company's revenues are recognized at a point-in-time.

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
Sales of CPO	7,760,341	6,881,329	14,341,757	11,980,543
Sales of PKO	515,247	593,413	1,129,266	794,519
Others	337,763	90,408	475,069	213,639
	8,613,351	7,565,150	15,946,093	12,988,701

14. Cost of sales

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
Direct operating costs	4,386,984	4,713,316	8,736,908	7,333,825
Employee incentive liability (credit)/charge	(23,116)	(70,152)	(8,846)	(52,695)
Amortisation	813,727	714,526	1,821,625	1,394,149
	5,177,595	5,357,690	10,549,687	8,675,279

15. Selling, General and Administration costs

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
Professional fees	882,406	473,338	1,128,444	735,023
Consultancy fees	30,086	28,240	65,841	53,267
Share based payment	9,973	199,460	(481,546)	410,738
Employee Incentive Liability	(259,099)	(72,282)	(244,395)	(54,294)
Salaries and wages	649,808	1,220,747	2,196,185	2,671,092
Government related taxes and fees	568,892	358,719	706,442	543,195
Kinshasa office and associated costs	253,815	209,007	490,354	360,291
Staff Travel & Subsistence	516,522	389,140	820,250	746,805
Corporate costs	250,981	367,954	614,588	641,201
Reallocation of overhead to Bearer Assets	(39,949)	(72,199)	(73,517)	(138,498)
Other general and administrative	287,612	(235,157)	472,939	382,021
	3,151,047	2,866,967	5,695,585	6,350,841

Expressed in United States Dollars, except where otherwise noted

16. Finance cost

	Three months ended June 30, 2019	Three months ended June 30, 2018	Six months ended June 30, 2019	Six months ended June 30, 2018
Interest and bank charges	1,201,714	2,265,268	3,430,807	3,504,646
Accretion expense	250,593	100,185	425,647	202,852
	1,452,307	2,365,453	3,856,454	3,707,498
Less: amount capitalised on qualifying assets	(420,072)	(280,883)	(696,810)	(447,025)
	1,032,235	2,084,570	3,159,644	3,260,473

17. 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 the December 31, 2018 consolidated financial statements.

The following table illustrates the classification of the Group's financial assets and financial liabilities within the fair value hierarchy as at June 30, 2019 and December 31, 2018:

	Financial Instrument Classification for 2019	Level	June 30, 2019	December 31, 2018
Financial assets				
Cash	Amortised cost		7,165,461	2,138,894
Receivables	Amortised cost		340,937	294,847
Biological assets	FVPL	Level 3	434,930	254,860
Financial liabilities				
Accounts payables and Accrued liabilities	Amortised cost		12,232,714	13,460,543
Bank overdraft	Amortised cost		690,149	2,468,492
Other payables	Amortised cost		1,444,891	1,395,179
Borrowings	Amortised cost	Level 2	55,711,661	53,792,672
Derivative liability	FVPL	Level 3	-	1,954,150

The fair value of cash, receivables, accounts payable and accrued liabilities, debentures and borrowings approximate their carrying values as a result of the short-term nature or the variable interest rate associated with the instruments, or the fixed interest rate of the instruments being similar to market rates.

The Group 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.

During the six months ended June 30, 2019, there were no transfers between level 1, 2 and 3 and there were no changes in the valuation techniques.

Financial risk factors:
The Group’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 Group’s overall risk management program seeks to minimize potential adverse effects on the Group’s financial performance.

(a) Market risk

(i) Foreign exchange risk

The Group's presentation currency is the United States dollar and major purchases are transacted in United States dollars. The Group 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 DFI Debt Facility that is subject to a floating interest rate, which could change. A difference in the interest rates of 1% on the June 30, 2019 balance of the DFI Debt Facility would result in a change to net loss of approximately $490,000. Cash has limited interest rate risk due to its short-term nature.

(b) Credit risk

The Group's credit risk is primarily attributable to cash and receivables. Two customers purchase 95% of the Company’s CPO production and although the Group has a good business relationship with both of the customers, there is no guarantee that the Group will be able to continue these relationships on terms acceptable to the Group.

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 Group’s sales are to two large long-standing customers and the Group limits cash risk by dealing with credit worthy financial institutions.

(c) Liquidity risk

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

The Group’s approach to managing liquidity risk is to provide reasonable assurance that it can provide sufficient capital to meet liabilities when due. The Group remains dependent upon future liquidity from capital sources or positive cash flows from business operations. The inability to obtain additional funding on a timely basis will have a material adverse effect on the financial condition, business and operations of the Group (see Note 2).

As at June 30, 2019, the Group had net working capital deficit of $831,997 including a net cash balance of $7,165,461. The majority of the Group’s financial liabilities has contractual maturities of less than 30 days and is 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.

Expressed in United States Dollars, except where otherwise noted

	June 30, 2019		
	Less than 3 months	**3 months to 1 year**	**1-5 years**
Accounts payable and accrued liabilities	14,367,754	-	-
Borrowings	4,206,400	-	51,505,261

	December 31, 2018		
	Less than 3 months	**3 months to 1 year**	**1-5 years**
Accounts payable and accrued liabilities	17,324,214	-	-
Borrowings	47,676,066	-	6,116,606

The table above 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.

Capital management

The Group considers its capital structure to consist of shares, stock options, warrants, convertible debt and the DFI Debt Facility. The Group manages its capital structure and makes adjustments to it, based on the funds available to the Group, in order to support its ongoing operations.

The Group'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 Group 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 Group may raise new debt or issue new shares.

There were no changes to the Group's capital management approach during the period ended June 30, 2019.

18. Related party disclosures

During the three and six months ended June 30, 2019, the Company entered into the Short Term Loan Facilities with CDC and KKM and completed the Private Placement with CDC, KKM and GOHL (described above under Note 2). As of the date hereof, each of CDC, KKM and GOHL beneficially own, or control or direct, directly or indirectly, voting securities of the Company carrying 10% or more of the voting rights attached to the common shares.

The Company made the following payments to related parties during the three and six months ended June 30, 2019:

Purchase of services from key management personnel

	Three months ended June 30,		**Six months ended June 30,**	
Purchase of services:	**2019**	**2018**	**2019**	**2018**
Board fees *(1)*	108,949	86,250	224,574	176,667
	108,949	86,250	224,574	176,667

(1) Board fees paid to non-executive directors

Expressed in United States Dollars, except where otherwise noted

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:

	Three months ended June 30,		Six months ended June 30,	
	2019	**2018**	**2019**	**2018**
Salaries and short-term employee benefits	264,368	195,698	431,755	390,202

Change in fair value of share-based payments

	Three months ended June 30,		Six months ended June 30,	
	2019	**2018**	**2019**	**2018**
Change in fair value of share-based payments	9,973	199,461	(481,546)	410,738

Payables to related parties

	Six months ended June 30,	
	2019	**2018**
Board of Directors fees	259,692	92,917

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

19. Contingent liabilities

The Group is, from time to time, involved in various claims, legal proceedings and complaints arising in the ordinary course of business. The Group cannot reasonably predict the likelihood or outcome of these actions. The board of directors of the Group 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. The Group specifically has two on-going cases related to claims made by parties to their rights to difference parcels of land on which the company operates. In addition, the group specifically has another two separate cases related to claims made by some former employees for wrongful dismissal and redundancy matters. Although the aggregate value of these claims is material the company does not believe that when the cases have been concluded they will have a material effect on the financial condition of future results of operations. As at June 30, 2019, provisions related to any matters totalled $713,019 (December 31, 2018: $634,455). Refer to Note 1 for the uncertainty on the Loi Portant Principes Fondamentaux Relatifs A L'Agriculture".