DLC HOLDINGS CORP.

FILING STATEMENT

REVERSE TAKEOVER INVOLVING THE ACQUISITION BY

DLC HOLDINGS CORP.

OF ALL OF THE ISSUED AND OUTSTANDING SHARE CAPITAL OF

CRAVEN HOUSE INDUSTRIES LTD.,

AND

60.5% OF THE ISSUED AND OUTSTANDING SHARE CAPITAL OF

CENIAKO LTD.

Dated as of March 27, 2018

All information contained in this Filing Statement with respect to Craven House Industries Ltd. and Ceniako Ltd., was supplied by the respective party for inclusion herein.

Neither the TSX Venture Exchange nor any securities regulatory authority has in any way passed upon the merits of the reverse take-over described in this Filing Statement.

TABLE OF CONTENTS

FORWARD LOOKING INFORMATION ..... **III**
GLOSSARY OF TERMS ..... **IV**
SUMMARY OF FILING STATEMENT **1**
RISK FACTORS **6**
PART I - INFORMATION CONCERNING DLC **13**
- **NAME AND INCORPORATION** **13**
- **GENERAL DEVELOPMENT OF BUSINESS** **13**
- **SELECTED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS** **14**
- **DESCRIPTION OF SECURITIES** **31**
- **STOCK OPTIONS** **31**
- **PRIOR SALES** **32**
- **STOCK EXCHANGE PRICE** **32**
- **EXECUTIVE COMPENSATION** **33**
- **TERMINATION AND CHANGE OF CONTROL BENEFITS** **37**
- **RELATED PARTY TRANSACTION** **37**
- **CONDITIONAL LISTING APPROVAL** **37**
- **LEGAL PROCEEDINGS** **38**
- **AUDITOR, TRANSFER AGENT AND REGISTRAR** **38**
- **MATERIAL CONTRACTS** **38**

PART II - INFORMATION CONCERNING CRAVEN AND CENIAKO **39**
- **NAME AND INCORPORATION - CRAVEN** **39**
- **INTERCORPORATE RELATIONSHIPS - CRAVEN** **39**
- **GENERAL DEVELOPMENT OF BUSINESS - CRAVEN** **39**
- **SELECTED CONSOLIDATED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS - CRAVEN** **41**
- **DESCRIPTION OF SECURITIES - CRAVEN** **42**
- **DIRECTOR COMPENSATION, MANAGEMENT CONTRACTS - CRAVEN** **43**
- **LEGAL PROCEEDINGS, AUDITORS, MATERIAL CONTRACTS - CRAVEN** **44**
- **NAME AND INCORPORATION - CENIAKO** **45**
- **INTERCORPORATE RELATIONSHIPS - CENIAKO** **45**
- **GENERAL DEVELOPMENT OF BUSINESS - CENIAKO** **45**
- **SELECTED CONSOLIDATED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS - CENIAKO** **47**
- **DESCRIPTION OF SECURITIES - CENIAKO** **51**
- **DIRECTOR COMPENSATION, MANAGEMENT CONTRACTS - CENIAKO** **52**
- **LEGAL PROCEEDINGS, AUDITORS, MATERIAL CONTRACTS - CENIAKO** **52**

PART III - INFORMATION CONCERNING THE RESULTING ISSUER 53
NAME AND INCORPORATION, INTERCORPORATE RELATIONSHIPS 53
NARRATIVE DESCRIPTION OF THE BUSINESS 54
DESCRIPTION OF THE SECURITIES 54
PRO FORMA CONSOLIDATED CAPITALIZATION 55
AVAILABLE FUNDS AND PRINCIPAL PURPOSES 57
PRINCIPAL SECURITY HOLDERS 58
DIRECTORS AND OFFICERS OF THE RESULTING ISSUER 58
PROMOTER CONSIDERATION 61
CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES, PENALTIES AND SANCTIONS 61
PERSONAL BANKRUPTCIES, CONFLICTS OF INTEREST 62
OTHER REPORTING ISSUER EXPERIENCE 62
PROPOSED EXECUTIVE COMPENSATION 63
TERMINATION AND CHANGE OF CONTROL BENEFITS 64
COMPENSATION OF DIRECTORS 64
INDEBTEDNESS OF DIRECTORS AND OFFICERS 65
OPTIONS AND WARRANTS TO PURCHASE SECURITIES 65
STOCK OPTION PLAN 65
ESCROWED SECURITIES 65
AUDITORS, TRANSFER AGENT AND REGISTRAR 66

PART IV - GENERAL MATTERS 67
SPONSOR 67
EXPERTS, OTHER MATERIAL FACTS 67
APPROVAL OF THE BOARD OF DIRECTORS 67

APPENDIX A **FINANCIAL STATEMENTS OF DLC**

APPENDIX B **FINANCIAL STATEMENTS OF CRAVEN**

APPENDIX C **FINANCIAL STATEMENTS OF CENIAKO**

APPENDIX D **VALUATION OF CANAVIEIRAS LAND**

APPENDIX E **VALUATION OF CARAVELAS LAND**

APPENDIX F **PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF THE RESULTING ISSUER**

CERTIFICATE OF DLC

CERTIFICATE OF CRAVEN AND CENIAKO

ACKNOWLEDGEMENT – PERSONAL INFORMATION

FORWARD LOOKING INFORMATION

This Filing Statement contains forward-looking information. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "does not expect", "is expected", "estimates", "intends", "anticipates", "does not anticipate", or "believes", or variations of such words and phrases or states that certain actions, events or results "may", "could", "would", "might" or "will" be taken to occur or be achieved.

Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of DLC, Craven, Ceniako or the Resulting Issuer to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Although DLC has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

Known and unknown factors could cause actual results or events to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to, fluctuations in the currency markets; changes in interest rates; disruption to the credit markets and delays in obtaining financing; inflationary pressures; risks arising from holding derivative instruments (such as credit risk, market liquidity risk and mark-to-market risk); changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada, or other countries in which the Resulting Issuer may, upon completion of the Transaction, carry on business; business opportunities that may be presented to, or pursued by the Resulting Issuer upon completion of the Transaction; the Resulting Issuer's ability to successfully integrate acquisitions; operating or technical difficulties in connection with business activities; the possibility of cost overruns or unanticipated expenses; employee relations; the risks of obtaining and renewing necessary licenses and permits; diminishing quantities or grades of reserves; adverse changes in the Resulting Issuer's credit rating; and the occurrence of natural disasters, hostilities, acts of war or terrorism. The factors identified above are not intended to represent a complete list of the factors that could affect DLC, Craven, Ceniako or the Resulting Issuer. Additional factors are noted under the heading "*Risk Factors*".

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results, performance or achievement may vary materially from those expressed or implied by the forward-looking information contained in this Filing Statement. These factors should be carefully considered and readers are cautioned not to place undue reliance on forward-looking information, which speaks only as of the date of this Filing Statement. All subsequent forward-looking information attributable to DLC, Craven, Ceniako or the Resulting Issuer herein is expressly qualified in its entirety by the cautionary statements contained in or referred to herein. DLC, Craven, Ceniako and the Resulting Issuer do not undertake any obligation to release publicly any revisions to this forward-looking information to reflect events or circumstances that occur after the date of this Filing Statement or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

GLOSSARY OF TERMS

The following is a glossary of certain definitions used in this Filing Statement. Terms and abbreviations used in the financial statements of DLC, Craven, Ceniako and the Resulting Issuer in the appendices to this Filing Statement are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders.

"**Affiliate**"	a company is an "Affiliate" of another company if (a) one of them is the subsidiary of the other, or (b) each of them is controlled by the same Person. A company is "controlled" by a Person if (a) voting securities of the company are held, other than by way of security only, by or for the benefit of that Person, and (b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the company. A Person beneficially owns securities that are beneficially owned by (a) a company controlled by that Person, or (b) an Affiliate of that Person or an Affiliate of any company controlled by that Person;
"**Associate**"	when used to indicate a relationship with a Person, means (a) an issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to all outstanding voting securities of the issuer, (b) any partner of the Person, (c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which the Person serves as trustee or in a similar capacity, (d) in the case of a Person who is an individual, (i) that Person's spouse or child, or (ii) any relative of that Person or of his spouse who has the same residence as that Person; but (e) where the Exchange determines that two Persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D of the Exchange with respect to that Member firm, Member corporation or holding company;
"**BCBCA**"	means the *Business Corporations Act* (British Columbia);
"**Board of Directors**"	means the Board of Directors of DLC or the Resulting Issuer as applicable;
"**Canadian GAAP**"	means the generally accepted accounting principles in Canada;
"**Ceniako**"	means Ceniako Ltd., a corporation subsisting under the laws of the Cyprus;
"**Ceniako Shares**"	means the 605 ordinary shares in the capital of Ceniako representing 60.5% of Ceniako’s issued and outstanding share

	capital;
"**CIH**"	means Craven Industrial Holdings Plc., a corporation subsisting under the laws of the Republic of Ireland;
"**CIH Agreements**"	means, collectively the share exchange agreements entered into among DLC, CIH, DH and SCC dated August 22, 2017, setting forth the terms pursuant to which DLC will acquire the Craven Shares and the Ceniako Shares;
"**Closing**"	means the closing of the Transaction;
"**Closing Date**"	means the date on which the Closing occurs;
"**company**"	unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;
"**Computershare**"	means Computershare Investor Services Inc.
"**Consideration shares**"	means the 13,676,700 Resulting Issuer Common Shares and 51,071,397 Resulting Issuer Preferred Shares being issued to CIH, DH and SCC, pursuant to the terms of the CIH Agreements;
"**Control Person**"	means any Person that holds or is one of a combination of Persons that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer;
"**Craven**"	means Craven House Industries Ltd., a corporation subsisting under the laws of the Republic of Ireland;
"**Craven Shares**"	means the 100 ordinary shares in the capital of Craven representing 100% of Craven's issued and outstanding share capital;
"**DAPL**"	means Desmond Agricultural Products Ltd, a wholly-owned subsidiary of DLC, subsisting under the laws of the Republic of Ireland;
"**DLC**" or "**Company**"	means DLC Holdings Corp., a corporation subsisting under the BCBCA;
"**DLC Management Agreement**"	means the management services agreement entered into between DLC, and Desmond Consulting Ltd., dated November 15, 2014, amended on December 9, 2015 and novated to DH

	on February 4, 2016;
"**DLC Options**"	means outstanding incentive stock options to purchase DLC Shares;
"**DLC Shareholders**"	means the holders of the DLC Shares;
"**DLC Preferred Shares**"	means the preferred shares in the capital of DLC, as constituted prior to completion of the Transaction;
"**DLC Shares**"	means the common shares in the capital of DLC as constituted prior to completion of the Transaction;
"**DLC Warrants**"	means the outstanding share purchase warrants to purchase an aggregate of 2,856,675 DLC Shares, at a price of $0.20 per share, until April 17, 2018;
"**DH**"	means Desmond Holdings Ltd., a corporation subsisting under the laws of Hong Kong;
"**EBITDA**"	means earnings before interest, taxes, depreciation and amortization;
"**Escrow Shares**"	means the common shares and preferred shares of DLC subject to escrow under the QT Escrow Agreement;
"**Exchange**"	means the TSX Venture Exchange;
"**Filing Statement**"	means this filing statement, together with all appendices attached hereto and including the summary hereof;
"**Final Exchange Bulletin**"	means the bulletin which is issued by the Exchange following the Closing and the submission of all documentation required by the Exchange in connection therewith that evidences the final Exchange acceptance of the Transaction and any related transactions;
"**IFRS**"	means the International Financial Reporting Standards;
"**Insider**"	if used in relation to an issuer, means: (a) a director or senior officer of the issuer; (b) a director or senior officer of a company that is an Insider or subsidiary of the issuer; (c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the issuer; or (d) the issuer itself if it holds any of its own securities;
"Loan Facility"	means the secured loan facility agreement entered into between DLC and Craven House Capital Plc
"**Listing**"	means the listing of the Resulting Issuer Shares on the

	Exchange following Closing;
"**Member**"	means a Person who has executed the Members' Agreement, as amended from time to time, and is accepted as and becomes a member of the Exchange under the Exchange requirements;
"**Members' Agreement**"	means the members' agreement among the Exchange and each Person who, from time to time, is accepted as and becomes a member of the Exchange;
"**MD&A**"	means management's discussion and analysis;
"**Named Executive Officer**" or "**NEO**"	has the meaning ascribed to it in Form 51-102F6 – *Statement of Executive Compensation* under National Instrument 51-102 entitled *"Continuous Disclosure Obligations"*;
"**Non-Arm's Length Party**"	means (a) in relation to a company: (i) a Promoter, officer, director, other Insider or Control Person of that company and any Associates or Affiliates of any such Persons; or (ii) another entity or an Affiliate of that entity, if that entity or its Affiliate have the same Promoter, officer, director, Insider or Control Person as the company; and (b) in relation to an individual, any Associate of the individual or any company of which the individual is a Promoter, officer, Insider or Control Person;
"**Person**"	means a company or individual;
"**Promoter**"	has the meaning ascribed to it in the *Securities Act* (British Columbia);
"**Proposed Transaction**" or "**Transaction**"	means the acquisition of the Craven Shares and the Ceniako Shares as contemplated in the CIH Agreements;
"**QT**"	means the acquisition of Superior Macs, by DLC, on April 17, 2014;
"**QT Escrow Agreement**"	means the escrow agreement entered into between Computershare, DLC, and certain shareholders of DLC, on completion of the QT;
"**Resulting Issuer**"	means DLC after giving effect to the Transaction;
"**Resulting Issuer Common Shares**"	means the common shares in the capital of the Resulting Issuer;
"**Resulting Issuer Escrow Agreement**"	means the value security escrow agreement to be entered into between the Resulting Issuer, Computershare, CIH, DH and SCC, pursuant to which the Resulting Issuer Escrow Shares are held in escrow in accordance with the policies of the Exchange;

"**Resulting Issuer Escrow Shares**"	means an aggregate of 64,748,097 Resulting Issuer Shares held in escrow pursuant to the terms of the Resulting Issuer Escrow Agreement;
"**Resulting Issuer Options**"	means the incentive stock options of the Resulting Issuer outstanding upon Closing of the Transaction;
"**Resulting Issuer Preferred Shares**"	means the preferred shares in the capital of the Resulting Issuer;
"**Resulting Issuer Warrants**"	means the share purchase warrants of the Resulting Issuer outstanding upon Closing of the Transaction;
"**SCC**"	means Southern Cone Capital Ltd., a corporation subsisting under the laws of Hong Kong;
"**Stock Option Plan**"	means incentive stock option plan of DLC, as approved by the DLC Shareholders at the annual general meeting;
"**Superior Macs"**	means Superior Macadamias (Pty) Ltd., a wholly-owned subsidiary of DAPL, subsisting under the laws of the Republic of South Africa;

All dollar amounts in this Filing Statement are expressed in Canadian dollars unless otherwise indicated.

SUMMARY OF FILING STATEMENT

The following is a summary of information relating to DLC, Craven and Ceniako and the Resulting Issuer (assuming completion of the Transaction) and should be read together with the more detailed information and financial data and statements contained elsewhere in this Filing Statement. Certain capitalized words and terms used in this Summary are defined in the Glossary of Terms.

PROPOSED TRANSACTION

DLC proposes to acquire the Craven Shares, and the Ceniako Shares, pursuant to the terms of the CIH Agreements, in consideration of 13,676,700 Resulting Issuer Common Shares at a deemed price of $0.20 per share and 51,071,397 Resulting Issuer Preferred Shares at a deemed price of $0.20 per share to be paid to the holders of the Craven Shares, and the Ceniako Shares, respectively.

Craven and Ceniako are holding companies with no operational activity which own collectively, via local subsidiaries, c.2,500 hectares of raw agricultural and development land in the Bahia Province of Brazil. The parcels of land owned by Craven and Ceniako have been independently appraised at values of c.US$5,000,000 and c.US$9,100,000 respectively, resulting in a total valuation for the Craven Shares and Ceniako Shares of $12,949,620. *See "Part II - Information Concerning Craven and Ceniako"*.

Upon completion of the Transaction, the Company will control c.2,500 hectares of land as well as c.10km of direct beach-front real estate facing the South Atlantic Ocean. DLC intends to utilise the land to further its investment in the agricultural land and food processing industry. DLC will seek a joint venture relationship with operating partners whereby DLC will provide the land for cultivation and the joint venture partner will bear the cost of plantation and cultivation. Alternatively, DLC may choose to lease the land to an agricultural company who will pay a current rent consisting of an annual payment and a percentage of the profits from the cultivation of the land. In either arrangement DLC, Ceniako and Craven will bear no financial risk or obligation associated with the operational nature of the business and will act as a holding company generating passive income. DLC believes the land held by Ceniako and Craven are suitable for commercial levels of macadamia production as well as other agricultural commodities, cattle ranching and forestry.

In order to develop the land assets being acquired under the Transaction and to provide working capital, DLC has entered into the Loan Facility with Craven House Capital Plc, a beneficial shareholder of both Craven and Ceniako, under which the Company will be provided with a loan of $800,000. The Loan Facility holds a senior secured position, bares an interest rate of 5% and has a term of five years.

The Transaction constitutes a reverse takeover under the policies of the Exchange. Upon completion of the Transaction, the Resulting Issuer will be engaged in business of macadamia nut processing will be listed as a Tier 2 Industrial Issuer under the policies of the Exchange. *See "Part III - Information Concerning the Resulting Issuer"*.

Completion of the Transaction is subject to a number of conditions, including the completion of requisite shareholder and regulatory approvals of the Transaction, and certain other conditions typical of a transaction of this nature.

NAME CHANGE

DLC will not change its name as part of the Transaction.

INTERESTS OF INSIDERS

Insiders of DLC will be treated in the same manner as all other DLC Shareholders in connection with the Transaction.

RELATED PARTY TRANSACTION

The Transaction is a Related Party Transaction, as defined by the policies of the Exchange and Multilateral Instrument 61-101. The Transaction is a Non-Arm's Length transaction and requires shareholder approval under applicable securities and corporate legislation.

Mark Pajak, a director, President and CEO of the Company, is the sole shareholder and director of Southern Cone and Desmond Holdings, and is a director of Craven Holdings. Together with Southern Cone, Mr. Pajak owns, directly or indirectly, an aggregate 8,950,000 common shares of Company, representing approximately 58.3% of the Company's current issued and outstanding share capital.

Upon completion of the Transaction, Mr. Pajak will own, directly or indirectly, an aggregate 8,950,000 common shares of the Company, representing approximately 30.8% of the then issued and outstanding common share capital of the Company and 7,286,191 Resulting Issuer Preferred Shares.

Craven Holdings is wholly owned by Craven House Capital Plc, a company incorporated under laws of England and Wales. Balbir Bindra, a director of the Company, is also a director of Craven House.

Upon completion of the Transaction, Craven Holdings will hold 13,676,700 common shares representing approximately 47.1% of the then issued and outstanding common share capital in the Company, thereby making it a new Control Person and Insider, as defined by the policies of the Exchange and 43,785,206 Resulting Issuer Preferred Shares.

AVAILABLE FUNDS AND PRINCIPAL PURPOSES

The Resulting Issuer is expected to have approximately $631,500 in working capital available on Closing (after deduction of the expenses related to the Transaction). The Resulting Issuer is expected to use the funds available to it in furtherance of its stated business objectives, which are summarized in the table appearing below.

	Estimated Amount ($CDN)
Sources of Funds:	
Estimated working capital of DLC as at September 30, 2017	($66,885)
Estimated working capital of Craven and Ceniako as at September 30, 2017	($41,615)
Loan Facility	$800,000
Total Sources	**$691,500**
Uses of Funds:	
Professional fees related to the Transaction	$60,000
Corporate general and administrative expenses for the first 12 months[(1)]	$150,000
Subsidiary general and administrative expenses for the first 12 months[(1)]	$30,000
Unallocated working capital to fund ongoing operations	$451,500

	Estimated Amount ($CDN)
Sources of Funds:	
Total Uses	**$691,500**

Notes:

(1) Includes, without limitation, estimated accounting, audit, legal, regulatory filing fees, and transfer agent fees and expenses.

Based on current projections, the Resulting Issuer's working capital available for funding ongoing operations is expected to meet its expenses for a minimum period of 12 months commencing immediately after the completion of the Transaction.

For additional information, see "*Part III - Information Concerning the Resulting Issuer – Available Funds and Principal Purposes*".

Notwithstanding the proposed uses of available funds discussed above, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. It is difficult, at this time, to definitively project the total funds necessary to effect the planned activities of the Resulting Issuer. For these reasons, management of DLC considers it to be in the best interests of the Resulting Issuer and its shareholders to afford management a reasonable degree of flexibility as to how the funds are employed among the uses identified above, or for other purposes, as the need arises. Further, the above uses of available funds should be considered estimates. See "*Forward-Looking Information*".

PROPOSED DIRECTORS AND OFFICERS OF THE RESULTING ISSUER

Upon closing of the Transaction, the Resulting Issuer's board of directors and management will remain the same.

SELECTED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

Upon completion of the Transaction, the Resulting Issuer will have total assets of $21,965,498, approximately $631,500 in working capital (after deduction of the expenses related to the Transaction); and total liabilities of $3,783,518. The issued share capital of the Resulting Issuer will be 84,650,227 Resulting Issuer Shares. *See "Part III - Information Concerning the Resulting Issuer – Pro Forma Capitalization" and the unaudited Pro Forma Financial Statements of the Resulting Issuer as at September 30, 2017 attached to this Filing Statement as Appendix F*.

The following table contains certain pro forma financial information regarding the Resulting Issuer. This table should be read in conjunction with the pro forma consolidated balance sheet of the Resulting Issuer included in this Filing Statement as Appendix F.

Pro Forma Consolidated Balance Sheet

	As at September 30, 2017
Total assets	$21,965,498
Total long and short term liabilities	$4,083,518

The following information should be read in conjunction with the financial statements and reports thereon included in this Filing Statement, being:

- audited financial statements of DLC for the years ended December 31, 2016, December 31, 2015 and December 31, 2014, and unaudited interim financial statements of DLC for the nine months ended September 30, 2017, which are together attached as Appendix A hereto;

- audited financial statements of Craven for the years ended December 31, 2016 and unaudited interim financial statements of Craven for the nine months ended September 30, 2017, which are together attached as Appendix B hereto;

- audited financial statements of Ceniako for the years ended December 31, 2016 and unaudited interim financial statements of Ceniako for the nine months ended September 30, 2017, which are together attached as Appendix C hereto; and

- unaudited pro forma financial statements of the Resulting Issuer as at September 30, 2017, giving effect to the Transaction, which are attached as Appendix F hereto.

MARKET FOR SECURITIES AND MARKET PRICE

The DLC Shares are listed on the Exchange under the trading symbol "DLC". Trading in the DLC Shares was halted on September 5, 2017, at the request of DLC, pending completion of the Transaction. The closing market price of the DLC Shares on September 4, 2017, the last day on which trading could have taken place, prior to the trading halt, was $0.20. There is no public market for the shares of Craven or Ceniako.

CONFLICTS OF INTEREST

Some of the individuals acting as directors or officers of the Resulting Issuer, upon the completion of the Transaction, are also directors, officers and/or Promoters of other reporting and non-reporting issuers. As of the date of this Filing Statement and to the knowledge of the directors and officers of DLC, Craven and Ceniako, there are no existing conflicts of interest between the Resulting Issuer and any of the individuals acting as directors or officers of the Resulting Issuer, following the completion of the Transaction. Conflicts of interest, if any, will be subject to, and will be resolved in accordance with, the procedures and remedies under the BCBCA.

SPONSORSHIP FOR THE PROPOSED TRANSACTION

No agent or sponsor has been retained in connection with the Transaction. The Exchange has granted a waiver of the sponsorship requirements for the Transaction following a review of the professional, independent valuations conducted on the land assets owned by Ceniako and Craven and related title opinions.

INTEREST OF EXPERTS AND OTHERS

Audit reports for DLC described or included in this Filing Statement were prepared by Davidson & Company LLP, Chartered Accountants, in respect of the audited financial statements of DLC for the fiscal years ended December 31, 2016, December 31, 2015 and December 31, 2014. Davidson & Company LLP, Chartered Accountants do not beneficially own, directly or indirectly, any securities of, nor do they have any interest in the property of, DLC, Craven or Ceniako. Moreover, none of the

foregoing Persons or any of their respective directors, officers or employees is, or expects to be, elected, appointed or employed as a director, officer or employee of the Resulting Issuer or its Associates or Affiliates.

RISK FACTORS

There are inherent risks in the business of DLC and in the business of Craven and Ceniako. The Proposed Transaction must be considered speculative due to the nature of the business of DLC, Craven and Ceniako, and each company's relatively formative stage of development. Shareholders of DLC must rely on the ability, expertise, judgment, discretion, integrity and good faith of the management of DLC and the Resulting Issuer. There is no guarantee that the Resulting Issuer will be able to secure future financing to meet its future needs on reasonable terms. The business of the Resulting Issuer will be subject to risks and hazards related to DLC, Craven and Ceniako, some of which are beyond its control.

DLC Shareholders should consider that DLC may not realize the anticipated benefits of the Transaction. Other risk factors include risks associated with completion of the Transaction and receipt of the approval of the Exchange; the Resulting Issuer's ongoing need for financing and potential for the issuance of debt; the fact that the Resulting Issuer may incur net losses in the future and may not achieve or maintain profitability; the Resulting Issuer's ability to attract new customers or to sell additional services to its existing customers; the Resulting Issuer's quarterly results of operations may fluctuate in the future; regulatory matters; competition; the Resulting Issuer's ability to respond to rapidly evolving industry standards; the Resulting Issuer's ability to manage its growth effectively; the Resulting Issuer's ability to expand its sales and marketing capabilities; the Resulting Issuer may be liable to its customers and may lose customers; potential conflicts of interest; the Resulting Issuer's reliance on others and key personnel; the potential for dilution and the Resulting Issuer's policy on dividends.

For a comprehensive discussion of the risk factors relating to the Resulting Issuer, see "*Risk Factors*".

CONDITIONAL APPROVAL OF EXCHANGE

DLC has applied to the Exchange to obtain conditional approval for the Transaction. Conditional approval was granted by the Exchange on 26 March 2018. Acceptance of the Transaction by the Exchange will be subject to DLC fulfilling all of the requirements and conditions of the Exchange. There is no assurance that DLC will be able to meet all of such requirements. If DLC is unable to meet all of such requirements, the Transaction will not be completed.

RISK FACTORS

There are a number of risk factors associated with DLC, Craven, Ceniako and the Transaction. An investment in the securities of the Resulting Issuer involves significant risks. Investors should carefully consider the risks described below and the other information contained in this Filing Statement before making an investment in the Resulting Issuer. Additional risks and uncertainties not presently known to DLC, Craven and Ceniako, or DLC, Craven and Ceniako currently consider immaterial may also impair the business and operations of the Resulting Issuer and cause the trading price of the DLC Shares to decline. If any of the following or other risks occur, the Resulting Issuer's business, prospects, financial condition, results of operations and cash flows could be materially adversely impacted. In that event, the trading price of the DLC Shares could decline and you could lose all or part of your investment. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described below or other unforeseen risks.

FOREIGN OPERATIONS

The assets of Craven and Ceniako are located in Brazil and, as a result, Craven and Ceniako are exposed to various levels of political, social, economic and other risks and uncertainties associated with operating in foreign jurisdictions. These risks and uncertainties include, but are not limited to: changing and unstable political, social and financial conditions, war, terrorism, civil disputes, protests, riots, insurrection, labour unrest, corruption, robbery, production and price controls, import or export controls, currency exchange and currency transfer controls, currency remittances, changes in taxation, government regulations and policies that may restrict employment and the supply of goods and services to citizens and other specific groups, arbitrary nullification of existing licenses, concessions, permits, contracts and other property rights, arbitrary mandates to address shifts in political, social and financial policies and attitudes that directly or indirectly affect the Resulting Issuer's business, operations, financial condition or prospects, nationalism and isolationism, trade embargoes, higher rates of inflation, unstable monetary policies, unstable foreign exchange rates and uncertainties with respect to the local legal system and respect of the rule of law. The occurrence of or an adverse change in these or similar matters will likely have an adverse effect on the business, operations, financial condition or prospects of the Resulting Issuer, including but not limited to the loss, destruction, damage and injury to property and personnel, an impairment, reduction or cessation of operations, the loss of potential opportunities, increased costs and inefficiencies and reduced financial results and flexibility. In addition, failure to comply with anti-corruption and anti-bribery legislation of Canada and other jurisdictions may result in significant fines, penalties and other sanctions.

AGRICULTURAL BUSINESS

The Resulting Issuer's inputs and outputs are tied to agricultural processes and commodity prices and are therefore exposed to a high degree of risk, often characterized by potential disruptions that could result in total crop failure, seasonal windows, perishable inventories, commodity pricing and low margins which require economies of scale and efficiencies for optimal results. In particular, small changes in commodity pricing can have disproportionate effects on profitability and financial results. There can be no assurances that Resulting Issuer's outputs can be sold at prices generating sufficient return on investment or cash flows, and that any operational or financial results can, in subsequent years, be repeated, sustained or improved upon.

DISRUPTIONS

The Resulting Issuer is subject to both natural and man-made disruptions to its operations, including but not limited to drought, storms, frost and other adverse weather conditions, fires, floods, insect swarms,

pestilence, crop failure and other acts of God, industrial accidents, strikes, lock-outs, labour shortages, power shortages, fuel shortages, title or access disputes including aboriginal or native disputes, wars, terrorism, civil disputes, protests, riots, insurrection, governmental regulations or requirements restricting or otherwise adversely altering free market or normal operations and other adverse events or occurrences beyond the control the Resulting Issuer. These and similar matters may have a direct impact on farming operations which provide the Resulting Issuer's inputs but may also have an indirect impact on other aspects of the Resulting Issuer's business such as transportation, storage, food processing and distribution, marketing and sales efforts, monetary payments. The occurrence of or an adverse change in these or similar matters will likely have an adverse effect on the business, operations, financial condition, financial results and prospects of the Resulting Issuer. There can be no assurances that these disruptions will not occur, that any such disruption would not be of indefinite duration, and that any such disruption will not result in the loss of an entire seasonal crop yield or complete failure of the Resulting Issuer's business.

INSURANCE

It may not be possible for the Resulting Issuer to fully insure itself against all operating risks and losses, and the Resulting Issuer may ultimately decide or be forced to not take out various insurance policies due to high premiums or for other reasons. Should such uninsured damages or losses occur, they could have a substantial adverse effect on the business, operations, financial condition, financial results and prospects of the Resulting Issuer, including the complete failure of the Resulting Issuer's business.

GOVERNMENT REGULATIONS

The Resulting Issuer's operations will be subject to government legislation, policies and controls. These may include but are not limited to regulations in respect of land use, water use and irrigation rights, fertilizer, hormone, pesticide and antibiotic controls, food inspections, food standards and other environmental and health and safety laws. In addition, any delay in receiving any necessary license, concession, permit or other regulatory approval may cause operational delays resulting in, among other things, inefficiencies, increased costs and untenable crop schedules. The exercise of discretion by governmental authorities under existing regulations, modification of existing regulations and the implementation of new regulations affecting the industry are beyond the control of the Resulting Issuer and could have an adverse impact on the business, operations, financial condition, financial results and prospects of the Resulting Issuer.

Failure to comply with applicable laws and regulations may result in enforcement actions resulting in forfeiture of property, payment of administrative, civil and criminal fines and penalties, payment of damages and compensation, and the imposition of corrective measures requiring capital and other expenditures, changes in procedures or other remedial actions.

ENVIRONMENTAL EXPOSURE

The Resulting Issuer's operations have the potential to affect surrounding lands. In the event that the Resulting Issuer's operations result in loss or damage to neighbouring landowners or other affected persons, the Resulting Issuer may be required to compensate those affected and to take remedial actions that would require significant expenditures, changes in procedures or other remedial actions, which individually or in the aggregate could have an adverse impact on the business, operations, financial condition, financial results and prospects of the Resulting Issuer.

EXCHANGE RATE FLUCTUATIONS

The Resulting Issuer reports its financial statements in Canadian dollars. In contrast, all or substantially all of the Resulting Issuer's operations are located in South Africa and Brazil, and thus its operational currencies will be the South African Rand and the Brazilian Real. In addition, certain of its input costs and sales may be denominated in other currencies, such as the U.S. dollar. As a result, fluctuations in exchange rates, which can be volatile, can have a material effect on working capital, cash flow and reported financial condition and financial results.

COMPLETION OF THE PROPOSED TRANSACTION AND EXCHANGE APPROVAL

The completion of the Proposed Transaction is subject to several conditions precedent. There can be no assurances that the Proposed Transaction will be completed on the terms set out in the Share Exchange Agreements, as negotiated, or at all. In the event that any of the conditions precedent are not satisfied or waived, the Proposed Transaction may not be completed. In addition, there is no guarantee that DLC will be able to satisfy the requirements of the Exchange such that it will issue the Final Exchange Bulletin.

ONGOING NEED FOR FINANCING

It is intended that the Resulting Issuer will continue to make investments to support business growth and may require additional funds to respond to business challenges, including the need to develop new services or enhance existing services, enhance operating infrastructure and acquire complementary businesses and technologies. Accordingly, the Resulting Issuer may need to engage in equity or debt financings to secure additional funds. If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Resulting Issuer Shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Resulting Issuer to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, additional financing may not be available on favourable terms, if at all. If the Resulting Issuer is unable to obtain adequate financing or financing on terms satisfactory to them, when they require it, their ability to continue to support business growth and to respond to business challenges could be significantly limited.

ISSUANCE OF DEBT

From time to time, the Resulting Issuer may enter into transactions to acquire the assets or shares of other corporations. These transactions may be financed wholly or partially with debt, which may temporarily increase the Resulting Issuer's debt levels above industry standards. The level of the Resulting Issuer's indebtedness from time to time could impair its ability to obtain additional financing in the future, on a timely basis, to take advantage of business opportunities that may arise.

THE RESULTING ISSUER MAY NOT ACHIEVE OR MAINTAIN PROFITABILITY

There is no assurance that the Resulting Issuer will operate profitably or will generate positive cash flow in the future. In addition, the Resulting Issuer's operating results in the future may be subject to significant fluctuations due to many factors not within its control, such as the unpredictability of when customers will order products, the size of customers' orders, the demand for its products, and the level of competition and general economic conditions. The Resulting Issuer expects to incur operating losses and negative cash flow until its products gain market acceptance sufficient to generate a commercially viable

and sustainable level of sales, and/or additional products are developed and commercially released and sales of such products made so that we are operating in a profitable manner.

INABILITY TO ATTRACT NEW CUSTOMERS OR SELL ADDITIONAL PRODUCTS TO ITS EXISTING CUSTOMERS

To increase the Resulting Issuer's revenues, it must regularly add new customers, sell additional products to existing customers and encourage existing customers to increase their minimum commitment levels. If the Resulting Issuer's existing and prospective customers do not perceive the Resulting Issuer's products to be of sufficiently high value and quality, the Resulting Issuer may not be able to attract new customers or increase sales to existing customers and its operating results will be adversely affected.

FAILURE TO MEET OR EXCEED THE EXPECTATIONS OF SECURITIES ANALYSTS OR INVESTORS

The Resulting Issuer's quarterly results of operations may fluctuate as a result of a variety of factors, many of which are outside of its control. If the Resulting Issuer's quarterly results of operations fall below the expectations of securities analysts or investors, the price of the Resulting Issuer Shares could decline substantially. Fluctuations in quarterly results of operations may be due to a number of factors, including, but not limited to, those listed below:

- the Resulting Issuer's ability to increase sales to existing customers and attract new customers;
- the addition or loss of large customers;
- the amount and timing of operating costs and capital expenditures related to the maintenance and expansion of the Resulting Issuer's business, operations and infrastructure;
- the timing and success of new product introductions by the Resulting Issuer or its competitors;
- changes in the Resulting Issuer's pricing policies or those of competitors;
- limitations of the capacity of the Resulting Issuer's systems;
- the timing of costs related to the development or acquisition of products or businesses;
- general economic, industry and market conditions; and
- geopolitical events such as war, threat of war or terrorist actions.

The quarterly revenues and results of operations of the Resulting Issuer may vary significantly in the future and that period-to-period comparisons of the Resulting Issuer's operating results may not be meaningful.

LIMITED MARKET FOR SECURITIES/LIQUIDITY

Upon completion of the Transaction, the Resulting Issuer Shares will be listed on the Exchange, however, there can be no assurance that an active and liquid market for the Resulting Issuer Shares will develop or be maintained. A listing of the common shares on the Exchange is not a guarantee of liquidity. If an active trading market for the common shares does not develop, the liquidity of the common Shares may be limited and it may be difficult if not impossible for a holder of common shares to sell common shares. There can be no assurances that an active trading market for the common shares will develop, or if developed, will be sustained for any period of time.

REGULATORY MATTERS

The operations carried on by the Resulting Issuer will be subject to government legislation, policies and controls. The exercise of discretion by governmental authorities under existing regulations, the implementation of new regulations or the modification of existing regulations affecting the industry are

beyond the control of the Resulting Issuer and could have a material adverse impact on the Resulting Issuer and its business.

COMPETITION

The Resulting Issuer will compete in a highly competitive market, and failure to compete effectively may adversely affect its ability to generate revenues. The Resulting Issuer will compete with a number of companies for personnel, land acquisitions, equipment, raw materials, services and sales contracts. These companies may have greater financial resources, established and diversified operations, history, goodwill and other factors that will give them a competitive advantage over the Resulting Issuer. There can be no assurances that the Resulting Issuer will be able to secure resources, services and sales in an environment of increased competition by such competitors.

If the Resulting Issuer is not able to compete successfully against its current and future competitors, it will be difficult to acquire and retain customers, and the Resulting Issuer may experience limited revenue growth, reduced revenues and operating margins and loss of market share.

ABILITY TO MANAGE GROWTH EFFECTIVELY

Any accelerated growth of the Resulting Issuer's revenue will place a strain on managerial and financial resources. As such, the Resulting Issuer's future growth will depend upon a number of factors, including the ability to, (i) build and train staff to create an expanding presence in the evolving marketplace; and (ii) expand the Resulting Issuer's internal management and enhance financial controls significantly to maintain control over operations and provide support to other functional areas within the Resulting Issuer.

The Resulting Issuer’s inability to achieve any of these objectives could harm its business, financial condition and operating results.

FAILURE TO EFFECTIVELY EXPAND SALES AND MARKETING CAPABILITIES

Increasing the Resulting Issuer's customer base and achieving broader market acceptance of its products will depend to a significant extent on its ability to expand its sales and marketing operations. It is expected that the Resulting Issuer will be substantially dependent on its direct sales force to obtain new customers. There is significant competition for direct sales personnel with the sales skills that the Resulting Issuer requires. The Resulting Issuer's ability to achieve significant growth in revenues in the future will depend, in large part, on its success in recruiting, training and retaining sufficient numbers of direct sales personnel. New hires require significant training and, in most cases, take a significant period of time before they achieve full productivity. The Resulting Issuer's hires may not become as productive as it would like, and the Resulting Issuer may be unable to hire or retain sufficient numbers of qualified individuals in the future in the markets where it does business. The Resulting Issuer's business will be seriously harmed if these expansion efforts do not generate a corresponding significant increase in revenues.

POTENTIAL CONFLICTS OF INTEREST

Certain directors or officers of the Resulting Issuer are also directors, officers, shareholders and/or Promoters of other reporting and non-reporting issuers. Such associations may give rise to conflicts of interest from time to time. The directors and officers of the Resulting Issuer are required by law to act honestly and in good faith with a view to the best interests of the Resulting Issuer and to disclose any interest, which they may have in any project or opportunity of the Resulting Issuer. If a conflict of interest arises at a meeting of the Board of Directors, any director in a conflict will disclose his interest

and abstain from voting on such matter. Conflicts of interest, if any, will be subject to, and will be resolved in accordance with, the procedures and remedies under the BCBCA.

RELIANCE ON OTHERS AND DEPENDENCE ON KEY PERSONNEL

The success of the Resulting Issuer will be strongly dependent upon the performance and technical expertise of its management and key employees, as well as the talents of its outside consultants and suppliers. There is little possibility that this dependence will decrease in the near term. As the Resulting Issuer's operations expand, additional general management resources will be required, as the Resulting Issuer will encounter risks that are inherent in doing business in several countries.

Moreover, the Resulting Issuer may not have any "key man" insurance policies, and therefore there is a risk that the death or departure of any one or more members of management or any key employee could have a material adverse effect on the Resulting Issuer. The Resulting Issuer also faces intense competition for qualified personnel and there can be no assurance that the Resulting Issuer will be able to attract and retain the employees, personnel and/or consultants necessary to successfully carry out its activities.

LITIGATION

All industries are subject to legal claims, with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material effect on the Resulting Issuer's operations and financial position.

POSSIBLE DILUTION TO PRESENT AND PROSPECTIVE SHAREHOLDERS

Successful completion of the Transaction will result in the dilution of the DLC Shares. In addition, the Resulting Issuer may be required to complete additional equity financings and issue securities on less than favourable terms in order to raise sufficient capital to fund its business plan in a timely manner. Any future transaction involving the issuance of equity securities or securities convertible into Resulting Issuer Shares or issuance of previously authorized but unissued common shares would result in dilution, possibly substantial, to present and prospective shareholders of the Resulting Issuer.

LACK OF DIVIDEND POLICY

The Resulting Issuer does not presently intend to pay cash dividends in the foreseeable future, as any earnings are expected to be retained for use in developing and expanding its business. However, the actual amount of dividends received from the Resulting Issuer will remain subject to the discretion of the Resulting Issuer's Board of Directors and will depend on results of operations, cash requirements and future prospects of the Resulting Issuer and other factors.

CHANGES IN LAWS

Changes to any of the laws, rules, regulations or policies to which the Resulting Issuer is subject could have a significant impact on the Resulting Issuer's business. There can be no assurance that the Resulting Issuer will be able to comply with any future laws, rules, regulations and policies. Failure by the Resulting Issuer to comply with applicable laws, rules, regulations and policies may subject it to civil or regulatory proceedings, including fines or injunctions, which may have a material adverse effect on the Resulting Issuer's business, financial condition, liquidity and results of operations. In addition, compliance with any future laws, rules, regulations and policies could negatively impact the Resulting

Issuer's profitability and have a material adverse effect on its business, financial condition, liquidity and results of operations.

PART I - INFORMATION CONCERNING DLC

The following information is presented on a pre-Transaction basis and prior to giving effect to the Transaction. See "Part III - Information Concerning the Resulting Issuer" for pro forma business, financial and share capital information relating to the Resulting Issuer.

NAME AND INCORPORATION

The full name of DLC is "DLC Holdings Corp." The head office of DLC is located at Suite 1600, 609 Granville Street, Vancouver, British Columbia, V7Y 1C3. The registered and records office of DLC is located at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8.

INTERCORPORATE RELATIONSHIPS

As of the date of this Filing Statement, DLC has two direct wholly-owned subsidiaries, and one indirect wholly-owned subsidiary, as follows:

- 0978612 B.C. Ltd., corporation subsisting under the BCBCA, and which has no active operations as of the date of this Filing Statement;
- Desmond Agricultural Products Ltd., a corporation subsisting under the laws of the Republic of Ireland, which acts as a holding company for Superior Macadamias (Pty) Ltd; and
- Superior Macadamias (Pty) Ltd., a corporation subsisting under the laws of the Republic of South Africa, and of which all of the share capital is held by DAPL. Superior Macs holds all of the current assets of DLC related to its macadamia nut processing and production operations in South Africa.

GENERAL DEVELOPMENT OF BUSINESS

History

The DLC Shares are listed on the Exchange under the trading symbol "DLC". DLC was originally listed on the Exchange as a capital pool company, on December 13, 2011, under the trading symbol "DLC.P". On December 14, 2011, DLC completed its initial public offering, as a capital pool company, by issuing 2,500,000 DLC Shares at a price of $0.10 per share for gross proceeds of $250,000. On December 15, 2011, the DLC Shares commenced trading on the Exchange.

On May 16, 2012, trading in the DLC Shares was halted, at the request of DLC, in connection with the announcement of the proposed acquisition of Hudye Farms US Inc. The proposed acquisition was subsequently terminated due to an inability to reach definitive terms between the parties. Prior to a reinstatement of trading, DLC announced the QT, being the proposed acquisition of EmVest Nuts (Pty) Ltd. Trading in the DLC Shares remained halted until completion of the QT.

On April 17, 2014, DLC completed the QT. Following the QT, EmVest Nuts (Pty) Ltd. changed its name to "Superior Macadamias (Pty) Ltd.". Superior Macs is a private company that processes and sells macadamia nuts, and operates a nut processing factory, where macadamia nuts are sourced from local farmers and dried, cracked, graded and packed in its factory before being exported abroad. In connection with the completion of the QT, DLC completed a non-brokered private placement of convertible debentures in the amount of $428,501, which automatically converted into units of DLC on closing of the QT, at a price of $0.15 per unit. Each unit was comprised of one DLC Share and one DLC Warrant.

As consideration for the acquisition of Superior Macs, DLC issued 4,545,455 non-voting restricted DLC Preferred Shares to the former shareholders of Superior Macs, having an estimated value of $681,818, based on a price of $0.15 per DLC Preferred Share. The DLC Preferred Shares are convertible into common shares of DLC at anytime.

Craven and Ceniako Transaction

On August 22, 2017 DLC entered into an agreement to acquire all of the issued and outstanding shares of Craven and 60.5% of the issued and outstanding shares of Ceniako in consideration of in consideration of 13,676,700 Resulting Issuer Common Shares at a deemed price of $0.20 per share and 51,071,397 Resulting Issuer Preferred Shares at a deemed price of $0.20 per share.

The Transaction will be a continuation and expansion of DLC's current business of macadamia nut processing. The transaction will constitute a reverse takeover under the policies of the Exchange.

Completion of the Transaction is subject to a number of conditions, including the completion of satisfactory due diligence, requisite shareholder and regulatory approvals of the Transaction, and certain other conditions typical in a transaction of this nature.

Loan Facility with Craven House Capital Plc

In order to develop the land assets being acquired under the Transaction and to provide working capital, DLC has entered into the Loan Facility with Craven House Capital Plc, a beneficial shareholder of both Craven and Ceniako, under which the Company will be provided with a loan of $800,000. The Loan Facility holds a senior secured position, bares an interest rate of 5% and has a term of five years.

SELECTED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

Selected Financial Information

A summary of selected financial information of DLC for the nine months ended September 30, 2017 and for years ended December 31, 2016, 2015 and 2014 is as follows and should be read in conjunction with DLC's unaudited interim financial statements for the nine months ended September 30, 2017 and DLC's audited financial statements for the years ended December 31, 2016, 2015 and 2014 attached as Appendix A:

	Interim Period for Nine Months Ended September 30, 2017 (In Cdn$)	Financial Year Ended December 31, 2016 (audited) (In Cdn$)	Financial Year Ended December 31, 2015 (audited) (In Cdn$)	Financial Year Ended December 31, 2014 (audited) (In Cdn$)
Total revenues	$ -	$ -	$-	$-
Total expenses	$223,840	$290,914	$450,240	$299,728
Net income/(loss) and comprehensive income/(loss) for the year	$(172,477)	$(110,068)	$(445,924)	$(273,682)
Basic and diluted loss per share	(0.01)	(0.01)	(0.03)	(0.02)

Total assets	$830,454	$943,478	$852,300	$1,179,565
Total current liabilities	$116,423	$112,913	$187,030	$210,371
Total long-term financial liabilities	$345,006	$289,063	$13,700	$13,700
Cash dividends declared per share	$ -	$ -	$ -	$ -
Amounts deferred in connection with the Transaction	Nil	Nil	Nil	Nil

Notes:

(1) The information presented is derived from the respective annual financial statements which have been prepared by management and are in accordance with IFRS and presented in Canadian dollars.

Management's Discussion and Analysis

DLC's management's discussion and analysis ("MD&A") for the nine months ended September 30, 2017, and for the financial year ended December 31, 2016 provide a discussion and analysis of the financial condition and results of operations to enable a reader to assess material changes in the financial condition and results of operations for the relevant period. This MD&A should be read in conjunction with the unaudited interim financial statements and notes thereto for the nine months ended September 30, 2017 and the audited financial statements and notes thereto of DLC for the financial year ended December 31, 2016, which are included in Appendix A of this Filing Statement. Such financial statements have been prepared in accordance with or IFRS and all amounts included in this MD&A are in Canadian dollars, unless otherwise specified.

Summary of Quarterly Results [1,2]

	3rd Quarter Ended September 30, 2017	2nd Quarter Ended June 30, 2017	1st Quarter Ended March 31, 2017	4th Quarter Ended December 31, 2016
(a) Net income / (loss)	$(26,668)	$(18,859)	$(101,225)	$(63,929)
(b) Net gain / (loss) and comprehensive gain / (loss) for the period	$(58,172)	$(13,971)	$(100,335)	$50,510
(c) Net loss per share	$(0.00)	$(0.00)	$(0.00)	$(0.01)
	3rd Quarter Ended September 30, 2016	**2nd Quarter Ended June 30, 2016**	**1st Quarter Ended March 31, 2016**	**4th Quarter Ended December 31, 2015**
(a) Net income / (loss)	$(22,496)	$(25,129)	$(80,600)	$(179,964)
(b) Net gain / (loss) and comprehensive gain / (loss) for the period	$(24,243)	$(6,906)	$(129,429)	$(238,565)
(c) Net loss per share	$(0.00)	$(0.00)	$(0.01)	$(0.02)

Notes:

(1) Financial information prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting.

(2) Numbers have been rounded to the next decimal for presentation purposes.

The losses for fiscal 2015, 2016 and 2017 relate to filing, transfer agent and professional fees associated with maintaining a public company together with due diligence costs associated with the Vos acquisition.

Results of Operations for the Nine Months Ended September 30, 2017

The following is an analysis of the Company's operating results for the six months ended June 30, 2017, and includes a comparison against the six months ended June 30, 2016.

Expenses:

Operating expenses for the nine months ended September 30, 2017 were $117,350 compared to $100,356 for the same period in the previous year .

General and administration expenses for the nine months ended September 30, 2017 were $106,490 compared to $87,792 for the same period in the previous year .

Finance costs or the nine months ended September 30, 2017 were $17,586 compared to $13,618 for same period in the previous year. These costs relate to interest on Superior Mac's bank indebtedness balance which bears interest at prime plus 0.6% per annum. .

Other income, consisting of incidental income earned through the provision of administrative and lab services to related companies, for the nine months ended September 30, 2017 was $94,675 compared to $73,541 for same period in the previous year.

Foreign exchange gain / (loss) for the nine months ended September 30, 2017 was $25,726 compared to $32,353 for same period in the previous year. The current period's result reflects the foreign exchange impact of the Company's RAND dollar cash balances.

Loss and comprehensive loss for the period
As a result of the activities discussed above, the Company experienced a net loss for the nine months ended September 30, 2017 of $146,751 (comprehensive loss of $172,477) as compared to net loss of $128,225 (comprehensive loss of $160,578) for same period in the previous year; representing an increase of $18,526 ($11,899 increase in comprehensive loss).

LIQUIDITY AND CAPITAL RESOURCES

The Company defines capital as consisting of shareholder's equity (comprised of issued share capital, deficit, and accumulated other comprehensive cost) and cash. The Company`s objectives when managing capital are to safeguard the Company`s ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital, but rather relies on the expertise of the Company`s management to sustain the future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. As at September 30, 2017, the Company is not subject to any externally imposed capital requirements or debt covenants .

The Company incurred a comprehensive loss of $172,477 for the nine months ended September 30, 2017 (for the nine months ended September 30, 2016 - $160,578). During the nine months ended September 30, 2017, the Company's operations consumed cash of $31,356 (for the nine months ended September 30, 2016 - $20,277). These activities, together with $18,601 losses in cash due to foreign exchange movements, resulted in an overall decrease of $29,127 in cash for the period; leaving the Company with a cash balance of $48,448 as at September 30, 2017.

At September 30, 2017, the Company has $66,885 in working capital deficiency. The Company has insufficient funds from which to finance its operating requirements and debt repayments within the next year. The Company's ability to finance its future operating requirements is significantly dependent on the Company's ability to achieve profitable returns from its operating activities. Without these returns, the Company will remain dependent upon its existing cash balances, collection of its receivables and other possible sources of cash; such as the exercise of stock options, the exercise of warrants, new shares issuances, and/or future debt financing. There is no guarantee that additional financing will be available or that it will be available on terms acceptable to management of the Company. These facts cast doubt about the Company's ability to continue as a going concern.

The Financial Statements have been prepared in accordance with IFRS applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. The accompanying financial statements do not reflect adjustments that may be necessary if the going concern assumption were not appropriate. If the going concern basis were not appropriate, adjustments may be necessary to the carrying amounts and/or classification of assets and/or liabilities and the reported expenses in these financial statements. Such adjustments could be material .

RISKS AND UNCERTAINTIES

The principal risks and uncertainties faced by DLC have been and are expected to remain consistent with those described in DLC's audited financial statements as at December 31, 2016, which are available at www.sedar.com. Details are provided of risks relating to Foreign Operations, Agricultural Business, Disruptions, Insurance, Competition, Government Regulation, Environmental Exposure, Exchange Fluctuations, Lack of Dividend Policy, Possible Dilution to Present and Prospective Shareholders, Dependence of Key Personnel, Lack of Trading, and Volatility of Share Price.

FINANCIAL INSTRUMENTS

Fair Value

Receivable is classified as loans and receivables and is measured at amortized cost. Accounts payable and accrued liabilities, bank indebtedness, due to related party and taxes payable are classified as other liabilities and are measured at amortized cost. The Fair values of its receivables, accounts payable and accrued liabilities, bank indebtedness, and due to related party approximate their carrying values due to their short term maturity. The Company's other financial instrument, cash under the fair value hierarchy is based on level one quoted prices in active markets for identical assets or liabilities.

Financial Risks Factors

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

I. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. At September 30, 2017, the Company has working capital deficiency of $66,885 (December 31, 2016 - $22,031). This is insufficient to fund the Company's operating costs for the next year. The Company's ability to finance its future operating requirements is significantly dependent on the Company's ability to achieve profitable returns on its operating activities. Without these returns, the Company will remain dependent upon the continued financial support of its debtors and shareholders. The Company, as at September 30, 2017 is exposed to liquidity risk.

II. Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign currency risk on fluctuations related to cash, accounts payable and accrued liabilities and bank indebtedness that are denominated in US dollars and South African RAND. A 1% fluctuation in the US/dollar against the Canadian dollar exchange rate would have an insignificant impact on the Company's cash balance and foreign exchange gain or loss for the period.

III. Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company places its cash with institutions of high-credit worthiness. Management has assessed there to be a low level of credit risk associated with its cash balances.

IV. Interest rate risk

Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in interest rates. The Company's bank indebtedness bears interest at prime plus 0.6%. As of September 30, 2017, a 10% change in prime rate would have an insignificant impact to the Company's net loss and comprehensive loss.

The Company's cash and cash equivalent earns interest a nominal rate. Interest risk related to cash and cash equivalent is therefore insignificant.

FUTURE ACCOUNTING POLICIES

A number of new IFRS standards, amendments to standards and interpretations are not yet effective for the three months ended June 30, 2017, and have not been applied in preparing these financial statements. None of these are expected to have an effect on the Company's financial statements.

- IFRS 9: New standard that replaced IAS 39 for classification and measurement, tentatively effective for annual periods beginning on or after January 1, 2018.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in conformity with International Financial Reporting Standards ("IFRS") requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(a) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

i. Fair value of the consideration given to acquire Superior Macs

The Company issued 4,545,455 non-voting restricted preferred shares to acquire Superior Macs. As this transaction was a non-monetary transaction, management relied on the recently completed financing price of $0.15 per share as a basis to estimate the fair value of these shares exchanged for the acquisition of Superior Macs; resulting in an estimated fair value of $681,818.

The excess of the purchase price over the book value of the assets and liabilities acquired with Superior Macs has been allocated to the Property, Plant and Equipment and the related deferred tax liability. Annual impairment tests may result in fair values less than the recorded costs of Property, Plant, and Equipment; and this change would be recognized as an impairment loss at the time of valuation.

ii. Deferred income tax

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

iii. Useful life of equipment

Each significant component of an item of equipment is depreciated over its estimated useful life. Estimated useful lives are determined based on current facts and past management experience, and take into consideration the anticipated physical life of the asset, existing long-term sales agreements and contracts, current and forecasted demand, and the potential for technological obsolescence.

iv. Impairment of long lived assets

The carrying value of long lived assets is reviewed each reporting period to determined whether there is any indication of impairment. If the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and an impairment loss is recognized in the consolidated statement of loss. The assessment of fair values, including those of the cash generating units (the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflow from other assets or groups of assets – "CGUs") for purpose of impairment testing, require the use of estimates and assumptions for discount rates, foreign exchange rates, future capital

requirements and operating performance. Changes in any of the assumptions or estimates used in determining the fair value of long lived assets could impact the impairment analysis.

(b) Critical accounting judgements

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are, but are not limited to, the following:

i. Determination of functional currency

The functional currency of the Company is the South African Rand. The functional currency determination was conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates. The determination of functional currency involves certain judgments to determine the primary economic environment and the Company reconsiders the functional currency if there are changes in events and conditions of the factors used in the determination of the primary economic environment.

ii. Going Concern

The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its operations and working capital requirements.

RELATED PARTY TRANSACTION

Key Personnel Compensation

Key management personnel include those person having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. The remuneration of directors and key management personal during the nine months ended September 30, 2017 and 2016 are as follows:

Type of Service	**Nature of Relationship**	**For the nine months ended September 30,**	
		2017	**2016**
Management Fees	To a company with a director and officers in common with DLC	**$31,500**	**$21,000**
TOTAL		**$31,500**	**$21,000**

The following represents amounts due to related parties as at September 30, 2017, not already disclosed elsewhere in these condensed consolidated interim financial statements:

Type of Service	**Nature of Relationship**	**September 30, 2017**	**December 31, 2016**
Loans	To a company with a director in common	**$159,823**	**$111,118**

Loans	To the CEO of the Company	**$5,347**	**$5,347**
Professional Fees	To a company with a director and officers in common with the Company	**$59,375**	**$27,875**
TOTAL		**$224,545**	**$144,340**

OFF-BALANCE SHEET ARRANGEMENT

The Company currently has no off-balance sheet arrangement.

Results of Operations for the Year Ended December 31, 2016

The following is an analysis of DLC's operating results for the three months ended December 31, 2016, and includes a comparison against the three months ended December 31, 2015.

Expenses:

Operating expenses for the three months ended December 31, 2016 were $78,926 compared to $97,350 for the same period in the previous year.

General and administration expenses for the three months ended December 31, 2016 were $23,840 compared to $99,516 for the same period in the previous year.

Other costs for the three months ended December 31, 2016 were $Nil compared to $1,010 for same period in the previous year. The costs were comprised of tax related charges and foreign exchange losses associated with the Company's USD balances.

Finance costs for the three months ended December 31, 2016 were $(796) compared to $3,899 for same period in the previous year. These costs relate to interest on Superior Macs `s bank indebtedness balance which bears interest at prime plus 0.6% per annum.

Other income for the three months ended December 31, 2016 was $38,041 compared to $21,811 for same period in the previous year. The full amount of the current period`s income relates to the adjustment for laboratory services provided by Superior Macs operating facility.

Foreign exchange gain/(loss) for the three months ended December 31, 2016 was $143,600 compared to $(58,601) for same period in the previous year. The current period's result reflects the foreign exchange impact of the Company's US dollar cash balances.

Income/ (loss) and comprehensive income/ (loss) for the period
As a result of the activities discussed above, the Company experienced a net loss of $63,929 and comprehensive income of $79,769 for the three months ended December 31, 2016, compared to a net loss of $179,964 and comprehensive loss of $238,565 for the same period in the previous year.

Results of Operations for the Year Ended December 31, 2016

The following is an analysis of the Company's operating results for the year ended December 31, 2016, and includes a comparison against the year ended December 31, 2015.

Expenses:

Operating expenses for the year ended December 31, 2016 were $179,282 compared to $144,892 for the same period in the previous year. The current period's results reflect the activity of the Company's Superior Macs subsidiary, acquired on April 17, 2014.

General and administration expenses for the year ended December 31, 2016 were $111,632 compared to $305,348 for the same period in the previous year. The $193,716 decrease is largely a result of 1,200,000 incentive stock options granted and vested in the previous year.

Other costs for the year ended December 31, 2016 were $Nil compared to $1,010 for same period in the previous year. The costs were comprised of tax related charges and foreign exchange losses associated with the Company's USD balances.

Finance costs for the year ended December 31, 2016 were $12,822 compared to $5,239 for same period in the previous year. These costs relate to interest on Superior Macs `s bank indebtedness balance which bears interest at prime plus 0.6% per annum.

Other income for the year ended December 31, 2016 were $111,582 compared to $50,015 for same period in the previous year. The significant portion of current period`s income relates to laboratory services provided by the Superior Macs operating facility.

Foreign exchange gain/(loss) for the year ended December 31, 2016 was $111,247 compared to $(39,450) for same period in the previous year. The current period's result reflects the foreign exchange impact of the Company's US dollar cash balances.

Loss and comprehensive loss for the period

As a result of the activities discussed above, the Company experienced a net loss of $192,154 and comprehensive income of $111,247 for the year ended December 31, 2016 compared to a net loss of $406,474 and comprehensive loss of $445,924 in the previous year.

The following is an analysis of the Company's operating results for the year ended December 31, 2016, and includes a comparison against the year ended December 31, 2015.

Expenses:

Operating expenses for the year ended December 31, 2016 were $179,282 compared to $144,892 for the same period in the previous year. The current period's results reflect the activity of the Company's Superior Macs subsidiary, acquired on April 17, 2014.

General and administration expenses for the year ended December 31, 2016 were $111,632 compared to $305,348 for the same period in the previous year. The $193,716 decrease is largely a result of 1,200,000 incentive stock options granted and vested in the previous year.

Other costs for the year ended December 31, 2016 were $Nil compared to $1,010 for same period in the previous year. The costs were comprised of tax related charges and foreign exchange losses associated with the Company's USD balances.

Finance costs for the year ended December 31, 2016 were $12,822 compared to $5,239 for same period in the previous year. These costs relate to interest on Superior Macs `s bank indebtedness balance which bears interest at prime plus 0.6% per annum.

Other income for the year ended December 31, 2016 were $111,582 compared to $50,015 for same period in the previous year. The significant portion of current period`s income relates to laboratory services provided by the Superior Macs operating facility.

Foreign exchange gain/(loss) for the year ended December 31, 2016 was $111,247 compared to $(39,450) for same period in the previous year. The current period's result reflects the foreign exchange impact of the Company's US dollar cash balances.

Loss and comprehensive loss for the period

As a result of the activities discussed above, the Company experienced a net loss of $192,154 and comprehensive income of $111,247 for the year ended December 31, 2016 compared to a net loss of $406,474 and comprehensive loss of $445,924 in the previous year.

LIQUIDITY AND CAPITAL RESOURCES

The Company defines capital as consisting of shareholder's equity (comprised of issued share capital, deficit, and accumulated other comprehensive cost) and cash. The Company`s objectives when managing capital are to safeguard the Company`s ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital, but rather relies on the expertise of the Company`s management to sustain the future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. As at December 31, 2015, the Company

does not have any long term debt outstanding and is not subject to any externally imposed capital requirements or debt covenants.

The Company incurred a comprehensive loss of $110,068 for the year ended December 31, 2016 (for the year ended December 31, 2015 - $445,924). During the year ended December 31, 2016, the Company's operations consumed cash of $156,557 for the year (for the year ended December 31, 2015 - $240,706). The Company has minimal cash on hand, therefore, these operating activities were financed by way of proceeds from related parties in the amount of $57,802 and promissory note $157,500. These activities, together with $4,577 gains in cash due to foreign exchange movements, resulted in an overall increase of $76,513 in cash for the period; leaving the Company with a cash balance of $77,575 as at December 31, 2016.

At December 31, 2016, the Company has $22,031 in working capital deficit. The Company has sufficient funds from which to finance its operating requirements and debt repayments within the next year. The Company's ability to finance its future operating requirements is significantly dependent on the Company's ability to achieve profitable returns from its operating activities. Without these returns, the Company will remain dependent upon its existing cash balances, collection of its receivables and other possible sources of cash; such as the exercise of stock options, the exercise of warrants, new shares issuances, and/or future debt financing. There is no guarantee that additional financing will be available or that it will be available on terms acceptable to management of the Company. These facts cast doubt about the Company's ability to continue as a going concern, however the completion of the Proposed Transaction will occur concurrently with financing that will provide the Company with adequate working capital going forward.

The Financial Statements have been prepared in accordance with IFRS applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. The accompanying financial statements do not reflect adjustments that may be necessary if the going concern assumption were not appropriate. If the going concern basis were not appropriate, adjustments may be necessary to the carrying amounts and/or classification of assets and/or liabilities and the reported expenses in these financial statements. Such adjustments could be material.

RISKS AND UNCERTAINTIES

Foreign Operations

All or substantially all of the Company`s operations are located in South Africa, and as a result, the Company`s operations are exposed to various levels of political, social, economic, and other risks and uncertainties associated with operating in foreign jurisdictions. These risks and uncertainties include, but are not limited to: changing and unstable political, social and financial conditions, war, terrorism, civil disputes, protests, riots, insurrection, labour unrest, corruption, robbery, production and price controls, import or export controls, currency exchange and currency transfer controls, currency remittances, changes in taxation, government regulations and policies that may restrict employment and the supply of goods and services to citizens and other specific groups, arbitrary nullification of existing licenses, concessions, permits, contracts and other property rights, arbitrary mandates to address shifts in political, social and financial policies and attitudes that directly or indirectly affect the Company`s business operations, financial condition or prospects, nationalism and isolationism, trade embargoes, higher rates of inflation, unstable monetary policies, unstable foreign exchange rates and uncertainties with respect to local legal system and respect of the rule of law. The occurrence of or adverse change in these or similar matters will likely have an adverse effect on the business, operations, financial condition of the Company, including but not limited to the loss, destruction, damage and injury to property and personnel, an impairment, reduction, cessation of operations, the loss of potential opportunities, increased costs and inefficiencies and reduced financial results and flexibility. In addition, failure to comply with anti-

corruption and anti-bribery legislation of Canada and other jurisdictions may result in significant fines, penalties and other sanctions.

Agricultural Business

The Company`s inputs and outputs are tied to agricultural processes and commodity prices and are therefore exposed to a high degree of risk, often characterized by potential disruption that could result in total crop failure, seasonal windows, perishable inventories, commodity pricing and low margins which require economies of scale and efficiencies for optimal results. In particular, small changes in commodity pricing can have disproportionate effects on profitability and financial results. There can be no assurances that the Company outputs can be sold at prices generating sufficient return on investment or cash flows, and that any operational or financial results can, in subsequent years, be repeated, sustained, or improved upon.

Disruptions

The Company is subject to both natural and man-made disruptions to its operations, including but not limited to drought, storms, frost and other adverse weather conditions, fires, floods, insect swarms, pestilence, crop failure and other acts of God, industrial accidents, strikes, lock-outs, labour shortages, power shortages, fuel shortages, title or access disputes, including aboriginal or native disputes, wars, terrorism, civil disputes, protests, riots, insurrection, governmental regulations or requirements restricting or otherwise adversely altering free market or normal operations and other adverse events or occurrences beyond the control of the Company. these or similar matters may have a direct impact on farming operations which provide the Company inputs but may also have an indirect impact on other aspects of the Company`s business such as transportation, storage, food processing and distribution, marketing and sales efforts, monetary payments. The occurrence of or an adverse change in these or similar matters will likely have an adverse effect on the business, operations, financial condition, financial results and prospects of the Company. There can be no assurances that these disruptions will not occur, that any such disruption would not be of indefinite duration, and that any such disruption will not result in the loss of an entire seasonal crop yield or complete failure of the Company`s business.

Insurance

It may not be possible for the Company to fully insure itself against all operational risks and losses, and the Company may ultimately decide or be forced to not take out various insurance policies due to high premiums or for other reasons. Should such uninsured damages or losses occur, they could have a substantial adverse affect on the Company, including the complete failure of the business.

Competition

The Company competes with a number of companies for personnel, land acquisitions, equipment, raw materials, services and sales contracts. These companies may have greater financial resources, established and diversified operations, history, goodwill, and other factors that will give them a competitive advantage over the Company. There can be no assurances that the Company will be able to secure resources, services and sales in an environment of increased competition by such competitors.

Government Regulation

The Company`s Superior Macs operations will be subject to government legislation, policies and controls. These may include but are not limited to regulations in respect of land use, water use and irrigation rights, fertilizer, hormone, pesticide and antibiotic controls, food inspections, food standards and other environmental and health and safety laws. In addition, any delays in receiving any necessary license, concession, permit or other regulatory approval may cause operational delays resulting in, among other things, inefficiencies, increased costs and untenable crop schedules. The exercise of discretion by government authorities under existing regulations, modification of existing regulations and the implementation of new regulations affecting the industry are beyond the control of the Company and

could have an adverse impact on the business, operations, financial condition, financial results and prospects of the Company.

Failure to comply with applicable laws and regulations may result in enforcement actions resulting in forfeiture of property, payment of administrative, civil and criminal fines and penalties, payment of damages and compensation, and the imposition of corrective measures requiring capital and other expenditures, changes in procedures or other remedial actions.

Environmental Exposure
Superior Macs operations have the potential to affect surrounding lands. In the event that Superior Macs operations result in loss or damage to neighbouring landowners or other affected persons, Superior Macs may be required to compensate those affected and to take remedial actions that would require significant expenditures, changes in procedures or other remedial actions, which individually or in the aggregate could have an adverse impact on the business, operations, financial condition, financial results and prospects of the Company.

Exchange rate Fluctuations
The Company reports its financial statements in Canadian dollars. In contrast, all or substantially all of its operations are located in South Africa, and thus its operational currency is the South African Rand. In addition, certain of its input costs and sales may be denominated in other currencies, such as the US dollar. As a result, fluctuations in exchange rates, which can be volatile, can have a material effect on working capital, cash flow and reported financial condition and financial results.

Lack of Dividend Policy
The Company does not presently intend to pay cash dividends in the foreseeable future, as any earnings are expected to be retained for use in developing and expanding its business. However, the actual amount of dividends received from the Company will remain subject to the discretion of the Company's Board of Directors and will depend on results of operations, cash requirements and future prospects of the Company and other factors.

Possible Dilution to Present and Prospective Shareholders
The Company may from time to time issue equity securities to finance its operations, acquisitions and other working capital requirements. The issuance of equity securities will result in the dilution of the equity interests of existing shareholders. There can be no assurances that equity securities can in any instance be issued on terms favourable or acceptable to the Company, as the case may be, and if such issuance is nonetheless required, the result will be additional and possibly excessive dilution to the equity interests of existing shareholders.

Dependence of Key Personnel
The Company strongly depends on the business and technical expertise of its management and key personnel. There is little possibility that this dependence will decrease in the near term. As the Company's operations expand, additional general management resources will be required, especially since the Company encounters risks that are inherent in doing business in several countries.

Lack of Trading
A listing of the Common Shares on the Exchange is not a guarantee of liquidity. If an active trading market for the Common Shares does not develop, the liquidity of the Common Shares may be limited and it may be difficult if not impossible for a holder of Common Shares to sell Common Shares. There can be no assurances that an active trading market for the Common Shares will develop or if developed will be sustained for any period of time.

Volatility of Share Price
Market prices for shares of TSX Venture Exchange companies are often volatile. Factors such as announcements of financial results, and other factors could have a significant effect on the price of the Company's shares.

FINANCIAL INSTRUMENTS

Fair Value
Receivable is classified as loans and receivables and is measured at amortized cost. Accounts payable and accrued liabilities, bank indebtedness, due to related party and taxes payable are classified as other liabilities and are measured at amortized cost. The Fair values of its receivables, accounts payable and accrued liabilities, bank indebtedness, and due to related party approximate their carrying values due to their short term maturity. The Company's other financial instrument, cash under the fair value hierarchy is based on level one quoted prices in active markets for identical assets or liabilities.

Financial Risks Factors
The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

I. **Liquidity risk** Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. At December 31, 2016, the Company has working capital deficit of $22,031 (December 31, 2015 - working capital deficiency of $183,783). This is insufficient to fund the Company's operating costs for the next year. The Company's ability to finance its future operating requirements is significantly dependent on the Company's ability to achieve profitable returns on its operating activities. Without these returns, the Company will remain dependent upon the continued financial support of its debtors and shareholders. The Company, as at December 31, 2016 is moderately exposed to liquidity risk.

II. **Currency risk** Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign currency risk on fluctuations related to cash, accounts payable and accrued liabilities and bank indebtedness that are denominated in US dollars and South African RAND. A 10% fluctuation in the US/dollar against the Canadian dollar exchange rate would have an insignificant impact on the Company's cash balance and foreign exchange gain or loss for the year. A 10% fluctuation in the SA RAND against the Canadian dollar would affect accumulated other comprehensive loss for the year of approximately $1,335.

III. **Credit risk** Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company places its cash with institutions of high-credit worthiness. Management has assessed there to be a low level of credit risk associated with its cash balances.

IV. **Interest rate risk** Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in interest rates. The Company's bank indebtedness bears interest at prime plus 0.6%. As of December 31, 2016, a 10% change in prime rate would have an insignificant impact to the Company's net loss and comprehensive loss.

The Company's cash and cash equivalent earns interest a nominal rate. Interest risk related to cash and cash equivalent is therefore insignificant.

RECENT ACCOUNTING PRONOUNCEMENT

Effective for annual periods beginning on or after January 1, 2018

i. **IFRS 9 Financial Instruments – Classification and Measurement** IFRS 9 is a new standard on financial instruments that will replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as derecognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss.

ii. **IFRS 15 Revenue from Contracts with Customers** IFRS 15 is a new standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model in order to depict the transfer of promised goods or services to customers. IFRS 15 supersedes IAS 11, Construction Contracts, IAS 18, Revenue, IFRIC 13, Customer Loyalty Programs, IFRIC 15, Agreements for the Construction of Real Estate, IFRIC 18, Transfers of Assets from Customers, and SIC-31, Revenue – Barter Transactions involving Advertising Services.

iii. **IFRS 16 Leases** A new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lease accounting model.

FUTURE ACCOUNTING POLICIES

A number of new IFRS standards, amendments to standards and interpretations are not yet effective for the year ended December 31, 2016, and have not been applied in preparing these financial statements. None of these are expected to have an effect on the Company's financial statements.

- IFRS 9: New standard that replaced IAS 39 for classification and measurement, tentatively effective for annual periods beginning on or after January 1, 2018.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in conformity with International Financial Reporting Standards ("IFRS") requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(a) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

I. Fair value of the consideration given to acquire Superior Macs

The Company issued 4,545,455 non-voting restricted preferred shares to acquire Superior Macs. As this transaction was a non-monetary transaction, management relied on the recently completed financing price of $0.15 per share as a basis to estimate the fair value of these shares exchanged for the acquisition of Superior Macs; resulting in an estimated fair value of $681,818. The excess of the

purchase price over the book value of the assets and liabilities acquired with Superior Macs has been allocated to the Property, Plant and Equipment and the related deferred tax liability. Annual impairment tests may result in fair values less than the recorded costs of Property, Plant, and Equipment; and this change would be recognized as an impairment loss at the time of valuation.

II. **Deferred income tax**

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and Commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

III. **Useful life of equipment**

Each significant component of an item of equipment is depreciated over its estimated useful life. Estimated useful lives are determined based on current facts and past management experience, and take into consideration the anticipated physical life of the asset, existing long-term sales agreements and contracts, current and forecasted demand, and the potential for technological obsolescence.

IV. Impairment of long lived assets

The carrying value of long lived assets is reviewed each reporting period to determined whether there is any indication of impairment. If the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and an impairment loss is recognized in the consolidated statement of loss. The assessment of fair values, including those of the cash generating units (the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflow from other assets or groups of assets – "CGUs") for purpose of impairment testing, require the use of estimates and assumptions for discount rates, foreign exchange rates, future capital requirements and operating performance. Changes in any of the assumptions or estimates used in determining the fair value of long lived assets could impact the impairment analysis.

(b) Critical accounting judgements

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are, but are not limited to, the following:

i. Determination of functional currency

The functional currency of the Company is the South African Rand. The functional currency determination was conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates. The determination of functional currency involves certain judgments to determine the primary economic environment and the Company reconsiders the functional currency if there are changes in events and conditions of the factors used in the determination of the primary economic environment.

ii. Going Concern

The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its operations and working capital requirements.

RELATED PARTY TRANSACTIONS

Key Personnel Compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. The remuneration of directors and key management personal during the year ended December 31, 2016 and 2015 are as follows:

Type of Service	**Nature of Relationship**	**For the years ended December 31,**	
		2016	**2015**
Management Fees	To a company with a director and officers in common with DLC	**$42,000**	**$42,000**
Share-based payments	Directors / officers		**$142,000**
TOTAL		**$42,000**	**$184,000**

The following table represents amounts due to related parties:

Type of Service	**Nature of Relationship**	**December 31, 2016**	**December 31, 2015**
Loans	To a company with a director in common	**$111,118**	**$42,482**
Loans	To the CEO of the Company	**$5,347**	**$4,757**
Professional Fees	To a company with a director and officers in common with the Company	**$27,875**	**$-**
TOTAL		**$144,340**	**$47,239**

Other income recorded on the statement of loss and comprehensive loss was earned from related party companies and by former shareholders of Superior Macs.

During the year ended December 31, 2016, the Company received loans of $57,802 (2015 - $42,000) from a company controlled by the Company's CEO (Note 9). These loans bear interest at a rate of 6%, are due on January 1, 2018 and are unsecured. As at December 31, 2016, there is $111,117 owing to this related company (2015 - $42,239) as a result of the loans and accrued interest.

As at December 31, 2016, the Company owes $27,875 (2015 - $nil) to a company controlled by a director of the Company for unpaid management fees

During the year ended December 31, 2016, the Company received loans of $590 (2015 - $4,757) from the CEO of the Company. These loans bear interest of 6%, are due on January 1, 2018, and are unsecured. As at December 31, 2016, there is $5,347 (2015 - $4,757) owing to the CEO as a result of the loans and accrued interest.

During the year ended December 31, 2016, the Company received a promissory note of $157,500 from a company controlled by the Company's CEO (Note 9). This loan bears interest at rate of 6%, is due on November 7, 2018 and is unsecured. As at December 31, 2016, the Company has accrued $1,398 of interest expense associated with this promissory note.

OFF-BALANCE SHEET ARRANGEMENT

The Company currently has no off-balance sheet arrangement.

DESCRIPTION OF SECURITIES

The authorized capital of DLC consists of an unlimited number of DLC Shares and an unlimited number of DLC Preferred Shares without par value.

Common Shares

As of the date of the Filing Statement, there are 15,356,675 DLC Shares issued and outstanding, each share carrying the right to one vote. DLC is authorized to issue an unlimited number of DLC Shares. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the common shares. The holders of DLC Shares are entitled to dividends, if, as and when declared by the board of directors, to one vote per share at meetings of the shareholders of DLC and, upon liquidation, to share equally in such assets of DLC as are distributable to the holders of the DLC Shares.

DLC Preferred Shares

DLC is authorized to issue an unlimited number of DLC Preferred Shares. As of the date of this Filing Statement, there are 4,545,455 DLC Preferred Shares issued. These DLC Preferred Shares do not carry the right to vote. As of the date of this Filing Statement, these DLC Preferred Shares can be converted into DLC Shares at any time. There are no other DLC Preferred Shares outstanding.

STOCK OPTIONS

As of the date of this Filing Statement, there are no DLC Options outstanding.

Stock Option Plan

DLC has implemented a 10% "rolling" stock option plan which is re-approved on a yearly basis by shareholders. The Stock Option Plan reserves, for issue pursuant to stock options, a maximum of common shares equal to 10% of the outstanding DLC Shares from time to time, with no mandatory vesting provisions. It provides that the board of directors of DLC may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, consultants and employees of DLC, non-assignable and non-transferable options to purchase DLC Shares.

The options are exercisable up to ten (10) years from the date of grant, so long as the optionee maintains the optionee's position with DLC. The number of DLC Shares reserved from issue to any one person in any 12-month period under the Stock Option Plan may not exceed 5% of the outstanding common shares at the time of the grant without Disinterested Shareholder Approval (as defined in Policy 4.4 of the Exchange). The number of DLC Shares reserved for issue to any Consultant and any Employee

conducting Investor Relations Activities (as defined by the Exchange) in any 12-month period under the Stock Option Plan may not exceed 2% of the outstanding common shares at the time of grant.

The Stock Option Plan also contains provisions for adjustment in the number of common shares or other property issuable on exercise of stock options in the event of a share consolidation, split, reclassification or other relevant change in the DLC Shares, or a share exchange, merger or other relevant change in the DLC's corporate structure, or any other relevant change in DLC's capitalization.

As of the date of the Filing Statement, there are no DLC Options granted under the Stock Option Plan to the current directors and officers of DLC. *See "Information Concerning Resulting Issuer – Options to Purchase Securities".*

PRIOR SALES

During the 12-month period prior to the date of this Filing Statement, DLC has not issued any securities.

STOCK EXCHANGE PRICE

The DLC Shares have been listed and posted for trading on the Exchange since December 13, 2011. The following table sets out trading information for the DLC Shares for the periods indicated.

Trading Periods	High	Low	Trading Volume
September 2017 (1)	n/a	n/a	0
August 2017	n/a	n/a	0
July 2017	n/a	n/a	0
June 2017	n/a	n/a	0
May 2017	n/a	n/a	0
April 2017	n/a	n/a	0
August 2017	n/a	n/a	0
January - March 2017 (2)	n/a	n/a	0
October - December 2016	n/a	n/a	n/a
July – September 2016	n/a	n/a	n/a
April - June 2016	n/a	n/a	n/a
January - March 2016	n/a	n/a	n/a
October - December 2015	n/a	n/a	n/a
August 2014(2)	$0.20	$0.20	0

Notes:
(1) Trading of the DLC Shares were halted on 5th September 2017 pursuant to the Proposed Transaction
(2) Trading of the DLC Shares were halted between August 27, 2014 and February 6 2017

EXECUTIVE COMPENSATION

Statement of Executive Compensation

The following information regarding executive compensation is presented in accordance with National Instrument Form 51-102F6V – Statement of Executive Compensation, and sets forth compensation for each of Mark Pajak, the Chief Executive Officer ("CEO") Robert Chisholm, the Chief Financial Officer ("CFO"), (together, the "NEOs") and Balbir Bindra, Craig Goldenberger and Barry Allen, together as Directors.

Director and NEO Compensation, Excluding Options and Compensation Securities

The following table sets out all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company to each NEO and Director, in any capacity, for the three most recently completed financial years:

Name and position	Year (1)	Salary, consulting fee, retainer or commission ($)	Bonus ($)	Committee or meeting fees ($)	Value of perquisites	Pension value ($)	All other compensation ($)	Total compensation ($)
Mark Pajak(2) Director, President, CEO and Former CFO	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Robert Chisholm(3), CFO	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Balbir Bindra(4) Director	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Craig Goldenberger(5) Director	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Barry Allen(6) Director	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) Represents fiscal year ended December 31.

(2)Mark Pajak was appointed as a director, CFO, President and CEO of the Company on March 25, 2011. Mr. Pajak resigned from his position as CFO on April 17, 2014.

(3) Robert Chisholm was appointed as CFO of the Company on April 17, 2014.

(4) Balbir Binder was appointed as a Director of the Company on March 31, 2015.

(5) Craig Goldenberger was appointed as a Director of the Company on June 2, 2011.

(6) Barry Allen was appointed as a Director of the Company on June 2, 2011.

Stock Options and Other Compensation Securities and Instruments

Compensation Securities							
Name and position	**Type of compensation security**	**Number of compensation securities, number of underlying securities, and percentage of class**	**Date of issue or grant**	**Issue, conversion or exercise price ($)**	**Closing price of security or underlying security on date of grant ($)**	**Closing price of security or underlying security at year end ($)**	**Expiry Date**
Mark Pajak Director, President, CEO and Former CFO	Options	600,000	Jan 26, 2015	$0.15	$0.20	$0.20	Jan 26, 2017
Robert Chisholm, CFO	Options	Nil	n/a	n/a	n/a	n/a	n/a
Balbir Bindra' Director	Options	Nil	n/a	n/a	n/a	n/a	n/a
Craig Goldenberger Director	Options	300,000	Jan 26, 2015	$0.15	$0.20	$0.20	Jan 26, 2017
Barry Allen Director	Options	300,000	Jan 26, 2015	$0.15	$0.20	$0.20	Jan 26, 2017

No NEO or Directors of the Company exercised any incentive stock options or compensation securities during the financial years ended December 31, 2014, 2015, and 2016.

Stock Option Plans and Other Incentive Plans

The Company has adopted a stock option plan (the "Option Plan") pursuant to which the Board of Directors (the "Board") may grant options (the "Options") to purchase Common Shares of the Company to NEOs, Directors and employees of the Company or affiliated corporations and to consultants retained by the Company.

The purpose of the Option Plan is to attract, retain, and motivate NEOs, Directors, employees and other service providers by providing them with the opportunity, through options, to acquire an interest in the Company and benefit from the Company's growth. Under the Option Plan, the maximum number of Common Shares reserved for issuance, including Options currently outstanding, is equal to ten (10%) percent of the Shares outstanding from time to time (the "10% Maximum"). The 10% Maximum is an "evergreen" provision, meaning that, following the exercise, termination, cancellation or expiration of any Options, a number of Common Shares equivalent to the number of options so exercised, terminated, cancelled or expired would automatically become reserved and available for issuance in respect of future Option grants.

The number of Common Shares which may be the subject of Options on a yearly basis to any one person cannot exceed five (5%) percent of the number of issued and outstanding Shares at the time of the grant. Options may be granted to any employee, Officer, Director, consultant, affiliate or subsidiary of the Company exercisable at a price which is not less than the market price of common shares of the Company

on the date of the grant. The Directors of the Company may, by resolution, determine the time period during which any option may be exercised (the "Exercise Period"), provided that the Exercise Period does not contravene any rule or regulation of such exchange on which the Common Shares may be listed. All Options will terminate on the earliest to occur of (a) the expiry of their term; (b) the date of termination of an optionee's employment, office or position as Director, if terminated for just cause; (c) ninety (90) days (or such other period of time as permitted by any rule or regulation of such exchange on which the Common Shares may be listed) following the date of termination of an optionee's position as a Director or NEO, if terminated for any reason other than the optionee's disability or death; (d) thirty (30) days following the date of termination of an optionee's position as a consultant engaged in investor relations activities, if terminated for any reason other than the optionee's disability, death, or just cause; and (e) the date of any sale, transfer or assignment of the Option.

Options are non-assignable and are subject to early termination in the event of the death of a participant or in the event a participant ceases to be a NEO, Director, employee, consultant, affiliate, or subsidiary of the Company, as the case may be. Subject to the foregoing restrictions, and certain other restrictions set out in the Option Plan, the Board is authorized to provide for the granting of Options and the exercise and method of exercise of options granted under the Option Plan.

All 1,200,000 outstanding incentive stock options expired unexercised on January 26, 2017. There are presently no Options outstanding under the Option Plan.

Employment, Consulting and Management Agreements

There are no agreements or arrangements that provide for compensation to NEOs or Directors of the Company, or that provide for payments to a NEO or Director at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, severance, a change of control in the Company or a change in the NEO or Director's responsibilities

Oversight and Description of Director and NEO Compensation

Compensation of Directors

Compensation of Directors of the Company is reviewed annually and determined by the Board. The level of compensation for Directors is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources.

In the Board's view, there is, and has been, no need for the Company to design or implement a formal compensation program for Directors. While the Board considers Option grants to Directors under the Option Plan from time to time, the Board does not employ a prescribed methodology when determining the grant or allocation of Options. Other than the Option Plan, as discussed above, the Company does not offer any long term incentive plans, share compensation plans or any other such benefit programs for Directors.

Compensation of NEOs

Compensation of NEOs is reviewed annually and determined by the Board. The level of compensation for NEOs is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other

issuers of comparable size and nature, and the availability of financial resources. In the Board's view, there is, and has been, no need for the Company to design or implement a formal compensation program for NEOs.

Elements of NEO Compensation

As discussed above, the Company provides an Option Plan to motivate NEOs by providing them with the opportunity, through Options, to acquire an interest in the Company and benefit from the Company's growth. The Board does not employ a prescribed methodology when determining the grant or allocation of Options to NEOs. Other than the Option Plan, the Company does not offer any long term incentive plans, share compensation plans, retirement plans, pension plans, or any other such benefit programs for NEOs.

Due to the relatively small size of the Company, limited cash resources, and the early stage and scope of the Company's operations, the NEOs do not currently receive annual salaries. The Board will review the Company's financial performance on an annual basis to determine whether salaries can be paid to the NEOs at a later date.

Pension Plan Benefits

No pension, retirement or deferred compensation plans, including defined contribution plans, have been instituted by the Company and none are proposed at this time.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information with respect to all compensation plans under which equity securities are authorized for issuance as of December 31, 2016:

Equity Compensation Plan Information			
Plan Category	**Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)**	**Weighted-average exercise price of outstanding options, warrants and rights (b)**	**Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)**
Equity compensation plans approved by securityholders	1,200,000	N/A	335,667[(1)]
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
Total	1,200,000	N/A	335,667

Notes:
(1) Represents the amount of Common Shares available for issuance under the Option Plan, which reserves a number of Common Shares for issuance, pursuant to the exercise of Options, that is equal to 10% of the issued and outstanding Common Shares from time to time.

MANAGEMENT CONTRACTS AND TERMINATION AND CHANGE OF CONTROL BENEFITS

Except as disclosed herein, the Company is not a party to a management contract with any Directors or Officers of the Company.

The following is a summary of the provisions in any contract, agreement, plan or arrangement, that provides for payments to an NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control in DLC or a change in the NEO's responsibilities:

On November 15, 2014 DLC entered into the DLC Management Agreement which was novated to Desmond Holdings Ltd. on February 4, 2016. This agreement provides that, in exchange for certain management and administrative services, Desmond Holdings Ltd. will receive a management services fee equal to 0.5% of the quarterly net asset value of DLC for such fiscal quarter. In the event of a change of control of DLC, Desmond Holdings Ltd. will receive a fee equal to 5% of the Net Asset Value of DLC plus 20% of the amount by which the market capitalization of DLC exceeds the net asset value of DLC. The DLC Management Agreement requires 180 days notice to terminate by either party.

RELATED PARTY TRANSACTION

The Transaction is a Related Party Transaction, as defined by the policies of the Exchange and Multilateral Instrument 61-101. The Transaction is a Non-Arm's Length transaction and requires shareholder approval under applicable securities and corporate legislation.

Mark Pajak, a director, President and CEO of the Company, is the sole shareholder and director of Southern Cone and Desmond Holdings, and is a director of Craven Holdings. Together with Southern Cone, Mr. Pajak owns, directly or indirectly, an aggregate 8,950,000 common shares of Company, representing approximately 58.3% of the Company's current issued and outstanding share capital.

Upon completion of the Transaction, Mr. Pajak will own, directly or indirectly, an aggregate 8,950,000 common shares of the Company, representing approximately 30.8% of the then issued and outstanding common share capital of the Company and 7,286,191 Resulting Issuer Preferred Shares.

Craven Holdings is wholly owned by Craven House Capital Plc, a company incorporated under laws of England and Wales. Balbir Bindra, a director of the Company, is also a director of Craven House.

Upon completion of the Transaction, Craven Holdings will hold 13,676,700 common shares representing approximately 47.1% of the then issued and outstanding common share capital in the Company, thereby making it a new Control Person and Insider, as defined by the policies of the Exchange and 43,785,206 Resulting Issuer Preferred Shares

CONDITIONAL LISTING APPROVAL

DLC has applied to the Exchange to obtain conditional approval for the Transaction. Conditional approval was granted by the Exchange on 26 March 2018. Acceptance of the Transaction by the Exchange will be subject to DLC fulfilling all of the requirements and conditions of the Exchange. There is no assurance that DLC will be able to meet all of such requirements. If DLC is unable to meet all of such requirements, the Transaction will not be completed.

LEGAL PROCEEDINGS

DLC is not currently a party to any actual or pending material legal proceedings to which it is or is likely to be a party or of which any of its assets are or are likely to be subject. Management of DLC is currently not aware of any legal proceedings contemplated against it.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The independent auditor of DLC is Davidson & Company LLP, Chartered Accountants located at Suite 1200, 609 Granville Street, Vancouver, British Columbia, V7Y 1C3.

The transfer agent and registrar of DLC is Computershare Investor Services Inc., located at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9.

MATERIAL CONTRACTS

DLC is a party to the following material contracts, excluding contracts entered into in the ordinary course of business:

a) Share exchange agreement between DLC and Craven Industrial Holdings Plc relating to the acquisition of shares in Ceniako;
b) Share exchange agreement between DLC and Southern Cone Capital Ltd relating to the acquisition of shares in Ceniako;
c) Share exchange agreement between DLC and Craven Industrial Holdings Plc relating to the acquisition of shares in Craven;
d) Share exchange agreement between DLC and Desmond Holdings Ltd relating to the acquisition of shares in Craven;
e) Loan Facility agreement; and
f) DLC Management Agreement

Copies of these agreements will be available for inspection at the registered office of DLC located at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, V7Y 1C3, during ordinary business hours from the date hereof until completion of the Transaction and for a period of 30 days thereafter.

PART II - INFORMATION CONCERNING CRAVEN AND CENIAKO

The following information provided by Craven and Ceniako is reflective of the current business, financial and share capital positions of Craven and Ceniako. See "Part III - Information Concerning the Resulting Issuer" for pro forma business, financial and share capital information relating to the Resulting Issuer following completion of the Transaction.

NAME AND INCORPORATION - CRAVEN

Craven House Industries Ltd registered addresses is located at 152 Castle Avenue, Clontarf, Dublin 3, Ireland and it subsists under the laws of Ireland. It was established on January 24, 2013.

INTERCORPORATE RELATIONSHIPS - CRAVEN

Craven is the owner of 8,836,499 quotas in Universal Properties Brasil Administracao de Imoveis Ltda ("UPBAI") representing 99.99% of the share capital of UPBAI, which is a company registered at Praca Eduardo Campos number 18, Centro, Canavieiras, Bahia, Brazil.

UPBAI, in turn has exclusive and sole ownership rights for approximately 500 hectares of land in Canavieiras, Bahia, Brazil with a total of 7.5 kilometers of ocean and water frontage, held as four separate but neighbouring real-estate properties known respectively as;

- 'Conjunto Sitio Tropical', Title registry 4.843, with 219 hectares
- 'Sitio Brinquinho', Registry 6.404, with 20 hectares
- 'Meus Prazeres', Registry 2.605, with 257 hectares
- 'Sitio Plenitude Divina', Registry 6.197, with 4 Ha

GENERAL DEVELOPMENT OF THE BUSINESS - CRAVEN

Craven was incorporated by the parent company of CIH to act as a holding company for its investments. The entire issued and outstanding share capital of Craven is comprised of 1,000 common shares. Nine hundred and fifty Craven Shares are owned by Craven Industrial Holdings Plc ("CIH") and the remaining fifty shares are owned by Desmond Holdings Ltd ("DH"). Mark Pajak, the CEO and President of DLC is also a director of both CIH and DH.

Craven has no employees and two directors, Mr Mark Pajak and Mr. Brian Winters

Craven acquired its quotas in UPBAI on the 5th December 2016. UPBAI is a holding company with no operating activities. The sole assets of UPBAI are the four land titles outlined above. UPBAI has no other material assets or liabilities.

The quotas in UPBAI represent the principal asset of Craven, comprising c.90% of the gross asset value of Craven. Craven also owns a small plot of development land located in Argentina, acquired in September 2016, and a minority stake in a manufacturing company located in Brazil, acquired in January 2013.

Craven has no other material assets or liabilities and no operating activity.

Craven Transaction

DLC entered into the CIH Agreements on August 22, 2017, whereby DLC agreed to acquire the entire issued and outstanding share capital of Craven from CIH and DH for a total consideration of US$5,635,160 to be satisfied via the issue of 13,676,700 Resulting Issuer Common Shares at a deemed price of $0.20 per share and 22,168,552 Resulting Issuer Preferred Shares at a deemed price of $0.20 per share to be paid to CIH and DH.

SIGNIFICANT ACQUISITIONS AND DISPOSITIONS - CRAVEN

Craven has not made any significant acquisitions or dispositions over the past three years other than as described above.

NARRATIVE DESCRIPTION OF THE BUSINESS - CRAVEN

Land Holdings

The principal asset of Craven is its land holding owned via its ownership of UPBAI. This land holding is located on the Atlantic coast of Brazil, approximately 1,000km east of Brasilia, as illustrated in the map below:





The land comprises four separate, but neighbouring, real estate properties, these are illustrated in the satellite photograph to the right and highlighted in light green.

As demonstrated, the land parcels include a total of 7.5 kilometers of ocean and water frontage.

Valuation

An independent valuation of the property was completed on April 28, 2017.

The findings of the valuation concluded that the land in question has a current market value of approximately US$ 5,000,000.

The complete valuation report is provided in Appendix D.

Strategy

DLC believes the land held by Craven is suitable for commercial levels of macadamia production as well as other agricultural commodities, cattle ranching and forestry.

SELECTED CONSOLIDATED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS - CRAVEN

Selected Financial Information

A summary of selected financial information of Craven for the nine months ended September 30, 2017 and the years ended December 31, 2016 and December 31, 2015 is set out below and should be read in conjunction with Craven's unaudited interim financial statements for the nine months ended September 30, 2017 and the audited financial statements for the year ended December 31, 2016, attached as Appendix B. The figures below are presented in Euros.

	For the nine-months ended Sept 30, 2017 EUR €	For the year ended Dec 31, 2016 EUR €	For the year ended Dec 31, 2015 EUR €
Total revenues	Nil	Nil	Nil
Income from continuing operations	Nil	Nil	Nil
Admin expenses	2,890	5,742	4,953
Fair value adjustments	(560,170)	1,202,842	88,940
Deferred Tax Charge	70,021	(150,359)	-
Net income or Loss	(493,039)	1,046,771	83,987
Total assets	4,808,399	5,368,569	915,240
Total long term financial liabilities	80,338	150,359	Nil
Cash dividends declared	Nil	Nil	Nil

Note: The information presented above is derived from Craven's Financial Statements for which the financial information has been prepared in accordance with International Financial Reporting Standards.

Management's Discussion and Analysis

The following Management Discussion and Analysis of Craven ("MD&A") provides analysis of Craven's financial results for the years ended December 31, 2016 and December 31, 2015.

Summary of Quarterly Results

Craven has not previously prepared quarterly financial information.

Results of Operations for the for the year ended December 31, 2016

Revenue

Craven acts solely as a holding company and has no trading activity. Hence no revenue is reported.

Cost of Sales

Craven acts solely as a holding company and has no trading activity. Hence no cost of sales are reported.

Expenses:
Operating expenses for the year ended December 31, 2016, was €5,742 compared to €4,953 for the previous year. The sole operating expense of Craven being audit and administration costs

Finance costs for the year ended December 31, 2016, was €nil compared to €nil for the previous year.

Other income for year ended December 31, 2016, was €nil compared to €nil for the previous year.

Income/(loss) and comprehensive income/(loss) for the period

Profit for the financial year after tax was €1,046,771 compared to €83,987 for the prior year, arising from foreign exchange movements of Craven's investment holdings and revaluation of Craven's land holdings following an independent third party valuation.

Off Balance Sheet Arrangements

Craven does not have any off Balance Sheet Arrangements.

Transactions with Related Parties

On the 5th December 2016 the quotas in UPBAI were transferred to Craven from its majority shareholder, CIH, for a consideration of USD$3,100,000.

On the 5th September 2016 a plot of freehold residential development land in Argentina was transferred to Craven from its majority shareholder, CIH, for a consideration of USD$365,000.

In December 2016, the amounts owing to CIH in relation to these two transfers, representing a combined value of $3,465,000 was satisfied through the issuance of 855 new shares in Craven to CIH.

Risks and Uncertainties

The principal risks and uncertainties faced by Craven are risks relating to foreign operations, disruptions, insurance, government regulation and exchange fluctuations

DESCRIPTION OF SECURITIES - CRAVEN

Craven is authorized to issue an unlimited number of common shares, of which 1,000 Craven Shares are issued and fully paid as at the date of this Filing Statement.

Common Shares

As at the date of this Filing Statement, there are 1,000 Craven Shares issued and fully paid. The holders of these shares are entitled to receive notice of and to attend all meetings of the holders, and to one vote for each such share. The holders are entitled to receive dividends as and when declared by the board of directors of the respective company. Upon a liquidation event, subject to the prior rights of the holders of any preferred shares and any other shares ranking senior, with respect to priority in the distribution of property or assets, the holders will be entitled to receive the remaining property and assets of the respective companies.

Convertible Securities

As of the date of the Filing Statement, Craven does not have any outstanding securities that are convertible into Craven Shares.

CONSOLIDATED CAPITALIZATION - CRAVEN

The following table outlines the capitalization of Craven:

Designation of Security	Amount Authorized	Amount issued as of December 2016	Amount issued as at the date of this Filing Statement prior to giving effect to the Transaction
Craven Shares	10,000,000	1,000	1,000

PRIOR SALES - CRAVEN

No Securities of Craven, have been sold within twelve months before the date of this Filing Statement.

STOCK EXCHANGE PRICE - CRAVEN

The Craven Shares are not listed on any stock exchange.

DIRECTOR COMPENSATION - CRAVEN

The directors are not paid any salary. There are no other arrangements, standard or otherwise, pursuant to which directors are compensated by Craven for their services in their capacity as directors. No salary or compensation of any kind has ever been paid to the directors in any prior years.

MANAGEMENT CONTRACTS - CRAVEN

Craven is not a party to any form of management contract.

NON-ARM'S LENGTH PARTY TRANSACTIONS - CRAVEN

Other than as described above, Craven has not completed a transaction involving a Non-Arm's Length Party since its incorporation.

LEGAL PROCEEDINGS - CRAVEN

There are no legal proceedings material to Craven or in which any of its properties is the subject matter and, to the knowledge of Craven, no such proceedings are known to be contemplated as at the date of this Filing Statement.

AUDITORS - CRAVEN

The independent auditor of Craven are RBK Business Advisers, Chartered Accountants and Statutory Audit Firm, located at Boole House, Beach Hill Road, Clonskeagh, Dublin 4, Ireland.

MATERIAL CONTRACTS - CRAVEN

Other than contracts entered into in the ordinary course of business, there are no contracts material to which Craven is a party.

NAME AND INCORPORATION - CENIAKO

Ceniako Ltd registered addresses is located at 15 Agion Omologiton, 1080 Nicosia, Cyprus and it subsists under the laws of Cyprus. It was established on July 24, 2012.

INTERCORPORATE RELATIONSHIPS - CENIAKO

Ceniako is the owner of 865,199 quotas in Woodford Empreendimentos Imobiliários Ltds ("Woodford") representing 99.99% of the share capital of Woodford, which is a company registered at Avenida Ministro Adalicio Nogueira no. 1.355, Tancredo Neves, Municipio de Caravelas, Bahia, Brazil.

Woodford, in turn has exclusive and sole ownership rights for approximately 1,973 hectares of land in Caravelas, Bahia, Brazil with a total of c.two kilometers of ocean frontage, held as five separate but neighbouring real-estate properties known respectively as;

- 'Fazenda Avai' comprising 469 hectares
- 'Estancia Loureiro e João Pereira' comprising 682 hectares
- 'Fazenda Sossego, Alegria, Pedra Azul, Lagoa Bonita e Nova Brasíllia' comprising 815 hectares
- 'Sitio Canta Galo' comprising 4 hectares
- 'Sitio Solar dos Ventos' comprising 2 hectares

GENERAL DEVELOPMENT OF THE BUSINESS - CENIAKO

Ceniako was incorporated as a special purpose vehicle to act as a holding company for the quotas of Woodford. The entire issued and outstanding share capital of Ceniako is comprised of 1,000 common shares. Four hundred and ninety Ceniako Shares are owned by Craven Industrial Holdings Plc ("CIH"), one hundred and fifteen shares are owned by Southern Cone Capital Ltd ("SCC") and the remaining three hundred and ninety-five shares are owned by Fibera Ltd ("Fibera"). Mark Pajak, the CEO and President of DLC is also a director of both CIH and SCC. Ceniako has no other material assets or liabilities and no operating activity.

Ceniako has no employees and its director is AIL Nominee Services Ltd

Woodford is a holding company with no operating activities. The sole assets of Woodford are the land titles outlined above. Woodford has no other material assets. Its only material liability of Woodford is a shareholder loan of €1,500,000 owed to the minority shareholder. This loan is of no fixed duration and bares no interest.

Ceniako Transaction

DLC entered into the CIH Agreements on August 22, 2017, whereby DLC agreed to acquire the six hundred and five shares of Ceniako from CIH and SCC for a total consideration of US$4,543,758 to be satisfied via the issue of 28,902,845 Resulting Issuer Preferred Shares at a deemed price of $0.20 per share to be paid to CIH and SCC.

SIGNIFICANT ACQUISITIONS AND DISPOSITIONS - CENIAKO

Ceniako has not made any significant acquisitions or dispositions over the past three years.

NARRATIVE DESCRIPTION OF THE BUSINESS - CENIAKO

Land Holdings

The land owned by Woodford is located on the Atlantic coast of Brazil, approximately 1,00km north of Rio de Janeiro, as illustrated in the map to the right.



The land comprises five separate but neighbouring real estate properties, as illustrated by the satellite photograph below, outlined in light green.

As demonstrated, the land parcels include a total of c.two kilometers of ocean frontage.



Valuation

An independent valuation of the property was completed on December 1, 2016. The valuation included evaluation of sales and offers made on 25 other properties in the South of the State of Bahia

The consolidated findings of the valuation are presented below, concluding that the land in question has a current market value of approximately US$ 9,100,000.

Property	**Area (Ha)**	**Value (Brazilian Reals R$)**
Fazenda Avai	469	11,725,000
Estancia Loureiro e João Pereira	682	8,187,840
Fazenda Sossego	815	9,780,120
Sitio Canta Galo	4	351,050
Sitio Solar dos Ventos	2	940,800
TOTAL R$		**R$ 30,984,810**
TOTAL US$*		**US$ 9,113,179**

*Notes: * Exchange rate of R$:US$ as of December 2016 = 3.4 : 1*

The complete valuation report is provided in Appendix E.

Strategy

DLC believes the land held by Craven is suitable for commercial levels of macadamia production as well as other agricultural commodities, cattle ranching and forestry.

SELECTED CONSOLIDATED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS - CENIAKO

Selected Financial Information

A summary of selected financial information of Ceniako for the nine months ended September 30, 2017 and years ended December 31, 2016 and December 31, 2015 is set out below and should be read in conjunction with Ceniako's unaudited interim financial statements for the nine months ended September 30, 2017 and the audited financial statements for the year ended December 31, 2016, attached as Appendix C. The figures below are presented in Euros.

	For the nine-months ended Sept 30, 2017 EUR €	For the year ended December 31, 2016 EUR €	For the year ended December 31, 2015 EUR €
Total revenues	Nil	Nil	Nil
Income from continuing operations	Nil	Nil	Nil
G&A expenses	(28,219)	(28,363)	(10,805)
Finance costs	(17)	(256)	-
Other income	-	17,587	-
Foreign exchange gain	(141,302)	385,733	(440,379)
Net income or Loss	(169,538)	374,701	(451,184)
Total assets	9,042,103	9,050,613	9,041,364
Total long term financial liabilities	1,804,528	1,800,094	1,817,716
Cash dividends declared	Nil	Nil	Nil

Note:
(1) The information presented is derived from Ceniako's Financial Statements for which the financial information has been prepared in accordance with IFRS.

Management's Discussion and Analysis

The following Management Discussion and Analysis of Ceniako ("MD&A") provides analysis of Ceniako's financial results for the years ended December 31, 2016 and December 31, 2015.

Summary of Quarterly Results

Ceniako has not previously prepared quarterly financial information.

Results of Operations for the for the year ended December 31, 2016

Revenue

Ceniako acts solely as a holding company and has no trading activity. Hence no revenue is reported.

Cost of Sales

Ceniako acts solely as a holding company and has no trading activity. Hence no cost of sales are reported.

Expenses:
Operating expenses for the year ended December 31, 2016, were €28,363 compared to €10,805 for the previous year. The sole operating expenses of Ceniako being audit and administration costs

Finance costs for the year ended December 31, 2016, was €256 compared to €nil for the previous year.

Other income for year ended December 31, 2016, was €17,587 compared to €nil for the previous year.

Income/(loss) and comprehensive income/(loss) for the period

Net income for the year was €374,701 compared to a loss of (€451,184) for the prior year, with the majority of income / losses in the respective years relating to foreign exchange gains / losses resulting from the land assets of Ceniako being valued in US Dollars and Ceniako's financial statements being reported in Euros.

Off Balance Sheet Arrangements

Ceniako does not have any off Balance Sheet Arrangements.

Transactions with Related Parties

There were no transactions with Related Parties during the year ended December 31, 2016.

Risks and Uncertainties

The principal risks and uncertainties faced by Ceniako are risks relating to foreign operations, disruptions, insurance, government regulation and exchange fluctuations

FINANCIAL INSTRUMENTS

Critical Accounting Estimates and Significant Judgments

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Fair value of investment property

The fair value of investment property is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. The fair value of the investment property has been estimated based on the fair value of their individual assets.

Fair value of financial assets

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. The fair

value of the financial assets available for sale has been estimated based on the fair value of these individual assets.

Adoption of new and revised IFRSs

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2016. This adoption did not have a material effect on the accounting policies of the Company.

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

Financial risk management

Financial risk factors

The Group is exposed to interest rate risk, credit risk, liquidity risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Group to manage these risks are discussed below:

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets. The Group is exposed to interest rate risk in relation to its non-current borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly

Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Group has no significant concentration of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables.

2016 EUR €	2015 EUR €
1,777	2,087

Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The

Group has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

Capital risk management

Capital includes equity shares and share premium, convertible preference shares and loan from parent company

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from last year

DESCRIPTION OF SECURITIES - CENIAKO

Ceniako is authorized to issue 1,000 common shares, of which 1,000 Ceniako Shares are issued and fully paid as at the date of this Filing Statement.

Common Shares

As at the date of this Filing Statement, there are 1,000 Ceniako Shares issued and fully paid. The holders of these shares are entitled to receive notice of and to attend all meetings of the holders, and to one vote for each such share. The holders are entitled to receive dividends as and when declared by the board of directors of the respective company. Upon a liquidation event, subject to the prior rights of the holders of any preferred shares and any other shares ranking senior, with respect to priority in the distribution of property or assets, the holders will be entitled to receive the remaining property and assets of the respective companies.

Convertible Securities

As of the date of the Filing Statement, Ceniako does not have any securities that are convertible into Ceniako Shares.

CONSOLIDATED CAPITALIZATION - CENIAKO

The following table outlines the capitalization of Craven:

Designation of Security	Amount Authorized	Amount outstanding as of December 2016	Amount Outstanding as at the date of this Filing Statement prior to giving effect to the Transaction
Ceniako Shares	1,000	1,000	1,000

PRIOR SALES - CENIAKO

No newly issued securities of Ceniako, have been sold within twelve months before the date of this Filing Statement.

STOCK EXCHANGE PRICE - CENIAKO

The Ceniako Shares are not listed on any stock exchange.

DIRECTOR COMPENSATION - CENIAKO

The directors are not paid any salary. There are no other arrangements, standard or otherwise, pursuant to which directors are compensated by Ceniako for their services in their capacity as directors. No salary or compensation of any kind has ever been paid to the directors in any prior years.

MANAGEMENT CONTRACTS - CENIAKO

Ceniako is not a party to any form of management contract.

NON-ARM'S LENGTH PARTY TRANSACTIONS - CENIAKO

Ceniako has not completed a transaction involving a Non-Arm's Length Party since its incorporation.

LEGAL PROCEEDINGS - CENIAKO

There are no legal proceedings material to Ceniako or in which any of its properties is the subject matter and, to the knowledge of Ceniako, no such proceedings are known to be contemplated as at the date of this Filing Statement.

AUDITORS - CENIAKO

The independent auditor of Ceniako is Costas Miaoulis. a Certified Public Accountant located at Xenagora 10, 2052, Strovolos, Nicosia, Cyprus.

MATERIAL CONTRACTS - CENIAKO

Other than contracts entered into in the ordinary course of business, there are no contracts material to which Ceniako is a party.

PART III - INFORMATION CONCERNING THE RESULTING ISSUER

The following information is presented on a post-Transaction basis and is reflective of the projected business, financial and share capital position of the Resulting Issuer. This section only includes information respecting the Resulting Issuer that is materially different from information provided earlier in this Filing Statement. Following the completion of the Proposed Transaction, the Resulting Issuer will carry on the businesses currently carried on by DLC. Refer to various headings under "Part I – Information Concerning DLC" and Part II – Information Concerning Craven and Ceniako" for additional information regarding DLC, Craven and Ceniako respectively. Refer also to the Pro-Forma Financial Statements of the Resulting Issuer attached here to as Appendix F.

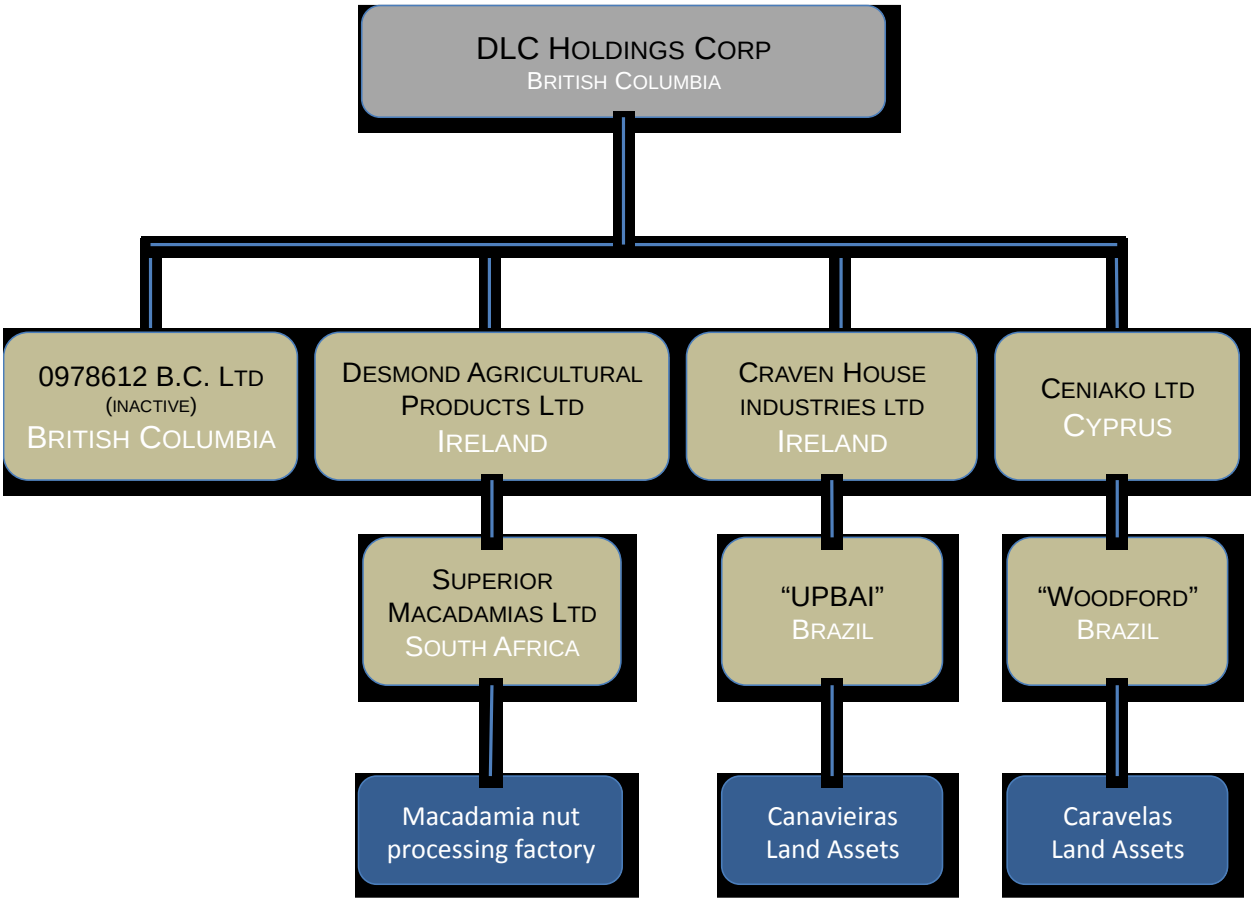
NAME AND INCORPORATION

The Resulting Issuer's head office and its registered office will remain located at Suite 1600, 609 Granville Street, Vancouver, British Columbia, V7Y 1C3, and Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8, respectively. The Resulting Issuer will continue to be organized under, and governed, by the BCBCA.

INTERCORPORATE RELATIONSHIPS

After giving effect to the Transaction, the Resulting Issuer's direct and indirect wholly-owned subsidiaries will be as follows:

Post – Transaction Structure



CRAVEN AND CENIAKO TRANSACTION

The Transaction consists of the acquisition of all of the outstanding share capital of Craven and 60.5% of the outstanding share capital of Ceniako, in consideration of 13,676,700 Resulting Issuer Common Shares at a deemed price of $0.20 per share and 51,071,397 Resulting Issuer Preferred Shares at a deemed price of $0.20 per share to be paid to the holders of the Craven Shares, and the Ceniako Shares, respectively. Upon completion of the Transaction, the Resulting Issuer will own c.2,500 hectares of raw agricultural and development land in the Bahia Province of Brazil in addition to its existing macadamia nut processing factory.

The Transaction will be a continuation and expansion of DLC's current business of macadamia nut processing.

Completion of the Transaction is subject to a number of conditions, including requisite shareholder and regulatory approvals of the Transaction, and certain other conditions typical of a transaction of this nature.

NARRATIVE DESCRIPTION OF THE BUSINESS

Upon completion of the Transaction, the Company will control c.2,500 hectares of land as well as c.10km of direct beach-front real estate facing the South Atlantic Ocean, in addition to its macadamia processing factory. DLC intends to utilise the land to further its investment in the agricultural land and food processing industry. DLC will seek a joint venture relationship with operating partners whereby DLC will provide the land for cultivation and the joint venture partner will bear the cost of plantation and cultivation. Alternatively, DLC may choose to lease the land to an agricultural company who will pay a current rent consisting of an annual payment and a percentage of the profits from the cultivation of the land. In either arrangement DLC, Ceniako and Craven will bear no financial risk or obligation associated with the operational nature of the business and will act as a holding company generating passive income. DLC believes the land held by Ceniako and Craven are suitable for commercial levels of macadamia production as well as other agricultural commodities, cattle ranching and forestry.

DESCRIPTION OF THE SECURITIES

The share structure of the Resulting Issuer will be the same as the share structure of DLC and the rights associated with each Resulting Issuer Common Share will be the same as the rights associated with each DLC Share. *See "Part I – Information Concerning DLC – Description of Securities".*

Common Shares

The authorized capital of the Resulting Issuer will consist of an unlimited number of common shares with no par value. At Closing, it is anticipated that 29,033,375 Resulting Issuer Common Shares will be issued and outstanding, as fully paid and non-assessable shares.

The holders of the Resulting Issuer Shares are entitled to dividends, if, as and when declared by the Board of Directors; to one vote per Resulting Issuer Share at meetings of the holders of Resulting Issuer Shares; and, upon liquidation, to share equally in such assets of Resulting Issuer as are distributable to the holders of Resulting Issuer Shares. All common shares to be outstanding after completion of the Transaction will be fully paid and non-assessable and shall not be subject to any pre-emptive rights, conversion or exchange rights, redemption, retraction, purchase for cancellation or surrender provisions, sinking or

purchase fund provisions, provisions permitting or restricting the issuance of additional securities or provisions requiring a shareholder to contribute additional capital.

Resulting Issuer Preferred Shares

At Closing, it is anticipated that 51,071,397 Resulting Issuer Preferred Shares will be issued and outstanding. The Resulting Issuer Preferred Shares are to be (i) entitled to one vote per Resulting Issuer Preferred Share at meetings of the holders of Resulting Issuer Shares; (ii) entitled to participate on a per share basis with the Resulting Issuer Common Shares in respect of any declaration of dividends on the Resulting Issuer Common Shares and any distribution on the Resulting Issuer Common Shares upon the liquidation, winding-up or dissolution of the Corporation; and (iii) convertible, at the election of the Corporation, on a one-for-one basis into Resulting Issuer Common Shares. Pursuant to the CIH Agreements, the Resulting Issuer Preferred Shares are eligible for conversion into Resulting Issuer Common Shares at such time that the conversion of Resulting Issuer Preferred Shares to Resulting Issuer Common Shares would not result in the proportion of Resulting Issuer Common Shares held by Public Shareholders and free of resale restrictions to drop below 20% (as defined in Policy 2.1 of the Exchange)

DLC Preferred Shares

There are 4,545,455 existing DLC Preferred Shares issued and outstanding. As of the date of this Filing Statement, these DLC Preferred Shares can be converted into Resulting Issuer Common Shares at any time. It is not anticipated that any of the DLC Preferred Shares will be converted into Resulting Issuer Common Shares in connection with completion of the Transaction.

Warrants

Upon completion of the Transaction, all of the DLC Warrants will remain outstanding.

Options

Upon completion of the Transaction there will be no Resulting Issuer Options outstanding.

Holders of Resulting Issuer Warrants, and Resulting Issuer Options, other than the conversion rights described above, will have no claim to dividend rights, voting rights, rights upon dissolution or winding-up of the Resulting Issuer, pre-emptive rights, redemption, retraction, purchase for cancellation or surrender provisions, sinking or purchase fund provisions, or provisions requiring a holder to contribute additional capital (except upon exercise).

PRO FORMA CONSOLIDATED CAPITALIZATION

The following table outlines the expected pro forma share capitalization of the Resulting Issuer on completion of the Transaction.

Designation of Security	Amount Authorized	Amount Outstanding as of the date of this Filing Statement	Amount Outstanding upon completion of the Transaction
DLC Shares	Unlimited	15,356,675	15,356,675
Resulting Issuer Common Shares	N/A	Nil	13,676,700
Resulting Issuer Preferred Shares	N/A	Nil	51,071,397

DLC Warrants	N/A	2,865,675	2,865,675
Resulting Issuer Options	N/A	nil	nil
DLC Preferred Shares	Unlimited	4,545,455	4,545,455
TOTAL		22,758,805	87,506,902

Fully Diluted Share Capital

The following table outlines the expected number and percentage of securities of the Resulting Issuer to be outstanding on a fully diluted basis after giving effect to the Transaction:

	Number of the Resulting Issuer Shares	**Percentage of Total**
Resulting Issuer Common Shares held by current DLC Shareholders	15,356,675	17.6%
Resulting Issuer Common Shares to be issued to holders of Craven shares pursuant to the CIH Agreements	13,676,700	15.6%
Resulting Issuer Preferred Shares to be issued to holders of Craven shares pursuant to the CIH Agreements	22,168,552	25.3%
Resulting Issuer Preferred Shares to be issued to holders of Ceniako shares pursuant to the CIH Agreements	28,902,845	33.0%
Resulting Issuer Warrants	2,865,675	3.3%
DLC Preferred Shares	4,545,455	5.2%
Fully-Diluted	**87,506,902**	**100.0%**

Other than as disclosed above, no other securities will be outstanding which are convertible into, or exchangeable for Resulting Issuer Common Shares, following the completion of the Transaction.

Milestones

To accomplish the Resulting Issuer's stated business objectives, it is believed that the Resulting Issuer will need to (i) complete the Proposed Transaction; (ii) operate Superior Macs businesses for a period of twelve months; and (iii) investigate and identify prospective Joint Venture partners or tenant for property.

The significant events that must occur for the business objectives described above to be accomplished are as follows:

Business Objective	**Milestones**	**Expected Timeframe**	**Expected Costs**
Completion of Proposed Transaction	Receipt of Regulatory and Exchange approval	April 2018	$60,000

Continued operations of subsidiaries	N/A	N/A	$180,000 (G&A costs for 12 months)
Identify Joint Venture partner or tenant for property	Identify Joint Venture Partner or tenant for property	Q3 2018	$0

The foregoing list is not exhaustive of the steps that the Resulting Issuer needs to take to be successful going forward and achievement of the foregoing milestones shall not guarantee success. Please see "*Risk Factors*".

AVAILABLE FUNDS AND PRINCIPAL PURPOSES

The Resulting Issuer is expected to have approximately $631,500 in working capital available on Closing (after deduction of the expenses related to the Transaction). The Resulting Issuer is expected to use the funds available to it in furtherance of its stated business objectives, which are summarized in the table appearing below.

	Estimated Amount ($CDN)
Sources of Funds:	
Estimated working capital of DLC as at September 30, 2017	($66,885)
Estimated working capital of Craven and Ceniako as at June 30, 2017	($41,615)
Loan Facility	$800,000
Total Sources	**$691,500**
Uses of Funds:	
Professional fees related to the Transaction	$60,000
Corporate general and administrative expenses for the first 12 months[(1)]	$150,000
Subsidiary general and administrative expenses for the first 12 months[(1)]	$30,000
Unallocated working capital to fund ongoing operations	$451,500
Total Uses	**$691,500**

Notes:

(1) Includes, without limitation, estimated accounting, audit, legal, regulatory filing fees, and transfer agent fees and expenses.

Notwithstanding the proposed uses of available funds discussed above, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. It is difficult, at this time, to definitively project the total funds necessary to effect the planned activities of the Resulting Issuer. For these reasons, management of DLC considers it to be in the best interests of the Resulting Issuer and its shareholders to afford management a reasonable degree of flexibility as to how the funds are employed among the uses identified above, or for other purposes, as the need arises. Further, the above uses of available funds should be considered estimates. See "*Forward-Looking Information*".

Dividends

There will be no restrictions in the Resulting Issuer's articles or elsewhere which would prevent the Resulting Issuer from paying dividends subsequent to the completion of the Transaction. It is not

contemplated that any dividends will be paid on the Resulting Issuer Shares in the immediate future following the completion of the Transaction, as it is anticipated that all available funds will be invested to finance the growth of the Resulting Issuer's business. The Board of Directors will determine if, and when, dividends will be declared and paid in the future from funds properly applicable to the payment of dividends based on the Resulting Issuer's financial position at the relevant time. All of the Resulting Issuer Shares are entitled to an equal share in any dividends declared and paid. See "*Forward-Looking Information*".

PRINCIPAL SECURITY HOLDERS

To the knowledge of DLC, the following table sets out information for each security holder anticipated to own of record or beneficially, directly or indirectly, or exercise control or direction over, more than 10% of Common Shares of the Resulting Issuer after giving effect to the Transaction and any related matters.

Name and Municipality of Residence	Common Shares			Type of Ownership
	Number	Percentage[(1)] (undiluted)	Percentage[(2)] (diluted)	
Craven Industrial Holdings Plc (Ireland) [(3)]	13,676,700	47.1%	65.7%	Of record and beneficial
Southern Cone Capital Ltd (Hong Kong) [(4)]	7,550,000	26.0%	14.9%	Of record and beneficial

Notes:

(1) Stated percentage assumes completion based on 29,033,375 common shares to be outstanding (undiluted)

(2) Stated percentage assumes shares after conversion of all Resulting Issuer Preferred Shares, DLC Preferred Shares and exercise of all of the existing DLC Warrants, for a total 87,506,902 common shares (diluted)

(3) Mark Pajak is a director of Craven Industrial Holdings Plc

(4) Mark Pajak is the sole shareholder and director of Southern Cone Capital

To the knowledge of DLC ten percent or more of any class of voting securities of the Resulting Issuer are not to be held subject to any voting trust or other similar agreement. To the knowledge of DLC, excluding the relationships described in the table above, no principal security holder of the Resulting Issuer identified above will be an associate or affiliate of another person or company identified above as a principal security holder of the Resulting Issuer. It is not anticipated that any Person will own of record or beneficially, directly or indirectly, or exercise control or direction over, more than 10% of the Resulting Issuer Shares following the completion of the Transactions.

DIRECTORS AND OFFICERS OF THE RESULTING ISSUER

At Closing, the directors and officers of the Resulting Issuer are expected to be the individuals set out below.

Name, Address, Occupation and Security Holdings

Name and Location of Residence	Position or Office	Principal Occupation During Past 5 Years	Director of DLC Since	Number and Percentage of Resulting Issuer Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly[(1)]
Mark Pajak London, UK	Director, President, CEO, and Secretary	Non-executive director of Craven House Capital Plc. from November 2010 to present; director of Taylor Wimpey UK Ltd. from January 2006 to January 2011.	2011	8,950,000[(2)] 30.8%
Craig Goldenberger Kirkland, WA, USA	Director	Chairman and CEO of North Rose Capital Corp. from March 2011 to present; CEO of Verb Exchange Inc. (now Ackroo Ltd.) from March 2005 to March 2011.	2011	300,000 1.0%
Barry Allen N. Vancouver, BC	Director	Chairman and Director Zolo Ventures 2012 to present; Principal of Ascent Partners from December 2010 to 12; President and CEO of Urodynamix Technologies Inc. from November 2005 to December 2010	2011	300,000 1.0%
Balbir Bindra Hong Kong	Director	Executive Director and General Counsel of CEC North Star Energy Limited from January 2015 to present; Partner at Ince and Co. from January 2015 to present; Partner at Locke Lord LLP from January 2013 to January 2015; Partner at Gide Loyrette Nouel from January 2009 to January 2013	2015	Nil 0%
Robert Chisholm Surrey, BC	Chief Financial Officer	CFO at Emprise Capital Corporation since 2008.	N/A	Nil 0%

Notes:

(1) Assumes no exercise of any options or other convertible securities (see "Options to Purchase Securities" below). Stated percentage assumes 29,033,375 common shares to be outstanding on a non-diluted basis.

(2) Includes 7,550,000 common shares held by Southern Cone Capital Ltd., a company of which Mr. Pajak is the sole shareholder and director

After giving effect to the Transaction, assuming no exercise of any options or other convertible securities, the proposed directors and officers will, as a group, beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of 9,550,000 Resulting Issuer Shares, representing approximately 32.9% of the outstanding Resulting Issuer Common Shares, on completion of the Transaction, on an undiluted basis.

Management

At closing, the management team of the Resulting Issuer will remain the same, with Mark Pajak serving as President and Chief Executive Officer and Robert Chisholm serving as Chief Financial Officer. The board of directors of the Resulting Issuer will also remain the same, consisting of Mark Pajak, Balbir Bindra, Craig Goldenberger, and Barry Allen.

Mark Pajak (age: 39, Director, President and Chief Executive Officer)

Mr. Pajak will continue to be a director and the President, CEO and Secretary of the Resulting Issuer. He studied at Oxford University where he obtained both an undergraduate degree in Biological Sciences and a post-graduate MBA. Mr. Pajak currently serves as a non-executive director of Craven House Capital Plc., an investment company listed on the London Stock Exchange, where he also sits on the audit committee. Mr. Pajak spent most of his professional career in property development and has extensive experience at both the corporate and operational level – most recently as a Sales and Marketing Director in the Taylor Wimpey Plc. (formerly George Wimpey Plc.) group of companies from 2005 to 2010 and as a Business Development Manager from 2002 to 2005, acting in a wide ranging capacity including involvement in M&A activity in the UK and North America, bank and private debt financing and analyst and shareholder relations. Taylor Wimpey Plc. is a property development company listed on the London Stock Exchange.

In his capacity as a director and senior officer of the Resulting Issuer, Mr. Pajak will devote approximately 50% of his time to the business and affairs of the Resulting Issuer. He has not entered into a non-competition or non-disclosure agreement with the Resulting Issuer.

Balbir Bindra (age: 53, Director)

Mr. Bindra will continue to be a director of the Resulting Issuer. Mr. Bindra currently serves as a director and general counsel of CEC North Star Energy Ltd., a private Calgary-based energy investment company where Mr. Bindra also sits on the audit committee. He is also currently a director of Craven House Capital Plc and partner at Ince & Co. in Hong Kong.

Mr. Bindra previously served as a Partner at Locke Lord LLP and Head of the International Finance Group of Sidley Austin in Hong Kong. Mr. Bindra has advised on natural resource, commodity, energy and infrastructure financing projects globally and represented private equity and hedge funds, multinationals, multilateral and sovereign lenders on structured finance, capital markets and investment fund issues. Mr. Bindra has been a Non-Executive Director and a member of the audit committee of Craven House Capital Plc since June 28, 2011 and has been named as a leading individual in both Asia Pacific Legal 500, Chambers Asia for Structured Finance and Euromoney's Guide to the World's Leading Structured Finance Lawyers. He obtained a LL.B. with First Class Honours from the University of Southampton and MBA from Edinburgh Business School.

In his capacity as a director, Mr. Bindra will devote as much time as needed to the business and affairs of the Resulting Issuer as an independent consultant. He has not entered into a non-competition or non-disclosure agreement with the Resulting Issuer.

Craig Goldenberger (age: 61, Director)

Mr. Goldenberger will continue to be a director of the Resulting Issuer. He holds a Bachelors Degree in economics from the University of Washington and is a Graduate of the Foster School of Business, also at the University of Washington. Mr. Goldenberger currently serves as Senior Officer of North Rose Capital Corporation, a private business advisory company. Mr. Goldenberger also serves as a director of two other TSX-Venture listed companies, including Camex Energy Corp. since February 2013 and TMT Resources since October, 2011.

In his capacity as a director, Mr. Goldenberger will devote as much time as needed to the business and affairs of the Resulting Issuer as an independent consultant. He has not entered into a non-competition or non-disclosure agreement with the Resulting Issuer.

Barry Allen (age: 53, Director)

Mr. Allen will continue to be a director of the Resulting Issuer. He holds a Bachelor of Arts degree from Queen's University. Mr. Allen is Chairman & director of Zolo Ventures Ltd., and its subsidiaries Zolo Realty and Zolo Mortgages in Ontario, BC and Alberta, a privately held company, since March 2012. He has been a director and officer of a number of public companies, including serving as President of MDX Medical, now Urodynamix Technologies Ltd. (TSX-V:URO), from November 2005 to December 2010; President and CEO of VSM MedTech Ltd. (TSX:VSM) from October 1998 to March 2003; and a director of Medical Ventures Corp. now Neovasc Inc. (TSX:NVC) from 2005 to 2009.

In his capacity as a director, Mr. Allen will devote as much time as needed to the business and affairs of the Resulting Issuer as an independent consultant. He has not entered into a non-competition or non-disclosure agreement with the Resulting Issuer.

Robert Chisholm (age: 56, Chief Financial Officer)

Mr. Chisholm will act as the CFO of the Resulting Issuer. He holds a professional accounting designation from the Chartered Professional Accountants of Canada and received his BBA with a major in accounting from Saint Francis Xavier University in Nova Scotia. Mr. Chisholm currently serves as director and senior officer of several other TSX Venture listed companies.

In his capacity as a senior officer, Mr. Chisholm will devote as much time as needed to the business and affairs of the Resulting Issuer as an independent consultant. He has not entered into a non-competition or non-disclosure agreement with the Resulting Issuer.

PROMOTER CONSIDERATION

The directors of the Resulting Issuer are the promoters of the Resulting Issuer. For a description of the number and percentage of common shares in the Resulting Issuer to be beneficially owned, directly or indirectly, or over which direction or control will be exercised by the directors of the Resulting Issuer see below *"Information Concerning the Resulting Issuer – Escrowed Securities"*.

CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES

No proposed director, officer or Promoter of the Resulting Issuer or shareholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer is or has, within the past 10 years, been a director, officer or Promoter of any Person or issuer that, while such Person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied that Person or issuer access to any exemptions under applicable securities legislation for a period of more than 30 consecutive days or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold the assets of that Person.

PENALTIES AND SANCTIONS

No proposed director, officer or Promoter of the Resulting Issuer or shareholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer or a personal holding corporation of such Persons is or has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions proposed by a court or regulatory body, including a self-regulatory body, that

would be likely to be considered important to a reasonable security holder making a decision about the Transaction.

PERSONAL BANKRUPTCIES

No proposed director, officer or Promoter of the Resulting Issuer or shareholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, or a personal holding corporation of such Persons is or has, within the past 10 years, become bankrupt, made a proposal under bankruptcy or insolvency legislation or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets.

CONFLICTS OF INTEREST

Some of the individuals proposed for appointment as directors or officers of the Resulting Issuer upon the completion of the Transaction are also directors, officers and/or Promoters of other reporting and non-reporting issuers, including those engaged in technology issuers. As of the date of this Filing Statement and to the knowledge of the directors and officers of DLC, Craven and Ceniako, there are no existing conflicts of interest between the Resulting Issuer and any of the individuals proposed for appointment as directors or officers following the completion of the Transaction.

OTHER REPORTING ISSUER EXPERIENCE

The following table sets out the proposed directors, officers and Promoters of the Resulting Issuer that are directors, officers or Promoters of other reporting issuers:

Name	Name of Reporting Issuer	Jurisdiction of Reporting Issuer	Position	Term
Mark Pajak	Craven House Capital Plc.	AIM	Director	Nov. 2010 to present
Craig Goldenberger	AnalytixInsight Inc. (formerly OMT Inc.)	TSX-V	Director	July 2011 to July, 2013
	Quentin Ventures Ltd.	TSX-V	Director	Apr. 2011 to present
	Savary Capital Corp.	TSX-V	Director	March 2011 to September 2012
	Chantrell Ventures Corp.	TSX-V	Director	July 2010 to Dec. 2010
	Arena Minerals Inc. (formerly Windamere Ventures Corp.)	TSX-V	Director	June 2010 to June 2012
	Dunnedin Ventures Inc. (formerly Ocean Park Ventures)	TSX-V	Director	June 2009 to June 2010
	Ackroo Inc. (formerly Verb Exchange Inc."	TSX-V	Director	Mar. 2005 to Mar. 2011

	Ripper Oil and Gas Inc.	TSX-V	Director	April 2012 to February 2013
Barry Allen	Urodynamix Technologies Ltd.	TSX-V	Director, President, CEO	Nov. 2005 to Dec. 2010
	Medical Ventures Corp. (now Neovasc Inc.)	TSX	Director	2005 to 2009
Balbir Bindra	Craven House Capital Plc	AIM	Director	June 2011 to Present
Robert Chisholm	Ripper Oil and Gas Inc.	TSX-V	Director	November 2012 June 2015
	AnalytixInsight Inc.	TSX-V	Director and CFO	July 2011 to May 2014
	Ladera Ventures Corp. (formerly T.M.T. Resources Inc.)	TSX-V	Director CFO	October 2012 to Present November 2011 to present
	Camex Energy Corp.	TSX-V	CFO	December 2012 to present
	NeutriSci International Inc.	TSX-V	Director CFO	March 2013 to November 2014 March 2013 to present
	Quadron Cannatech Corp	CSE	CFO	May 2016 to present
	Identillect Technologies Corp	TSX-V	CFO	Mary 2016 to present
	Siyata Mobile Inc.	TSX-V	CFO	July 2015 to August 2016
	North Bluff Capital Corp.	TSX-V	Director	December 2014 to September 2017
	DLC Holdings Corp. (formerly Desmond Investments Ltd)	TSX-V	CFO	April 2014 to present
	NEMI Northern Energy & Mining Inc.	CSE	CFO	August 2013 to September 2016
	Bravern Ventures Ltd.	TSX-V	Director CFO	June 2013 to present May 2014 to present

	Anavex Life Sciences Corp	OTCBB	Director President and CFO	May 2011 to January 2013 June 2012 to January 2013
	Savary Capital Corp.	TSX-V	Director and CFO	March 2011 to September 2012
	Brookwater Ventures Inc.	TSX-V	Director and CFO	December 2009 to May 2011
	Chantrell Ventures Corp.	TSX-V	CFO	July 2010 to Dec. 2010
	Ackroo Inc.	TSX-V	Director	March 2011 to October 2012
	Dunnedin Ventures Inc.	TSX-V	Director and CFO	June 2009 to February 2010
	PNI Digital Media Inc.	TSX	Director	April 2009 to December 2012 Sept 2001 to March 2009

PROPOSED EXECUTIVE COMPENSATION

Compensation for each of the Resulting Issuer's proposed CEO and four most highly compensated proposed executive officers, for the 12 month period after giving effect to the Transaction, has not yet been determined.

Incentive Plan Awards

Share-based Awards

During the 12 month period post-Transaction, it is not expected that the Resulting Issuer will grant any share-based awards, being awards granted under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock. See *"Forward-Looking Information"*.

Option-based awards

In addition to the stock options which have been granted, the Resulting Issuer will likely grant future option-based awards, being awards under an equity incentive plan of options, including, for greater certainty, by granting stock options to its directors, officers and employees. The timing, amounts, exercise price of these future option-based awards are not yet determined. Such stock options are expected to be granted under the Stock Option Plan. See *"Part I – Information Concerning DLC - Stock Option Plan"*.

Pension Plan Benefits

During the 12 month period post-Transaction, it is not expected that the Resulting Issuer will provide for defined benefit plans or defined contribution plans, being plans that provide for payments or benefits at, following, or in connection with retirement, or provide for deferred compensation plans. See "*Forward-Looking Information*".

TERMINATION AND CHANGE OF CONTROL BENEFITS

The Resulting Issuer does not have written employment agreements with the Named Executive Officers, nor any plans or arrangements in place with any NEO that provide for payment following or in connection with any termination, resignation, retirement, a change of control of the Resulting Issuer or a change in a NEO's responsibilities except as follows:

On November 15, 2014 DLC entered into the DLC Management Agreement. The DLC Management Agreement was amended on December 7, 2015 and was novated to Desmond Holdings Ltd. on February 4, 2016. This agreement provides that, in exchange for certain management and administrative services, Desmond Holdings Ltd. will receive a management services fee equal to 0.5% of the quarterly net asset value of DLC for such fiscal quarter. In the event of a change of control of DLC, Desmond Holdings Ltd. will receive a fee equal to 5% of the Net Asset Value of DLC plus 20% of the amount by which the market capitalization of DLC exceeds the net asset value of DLC. The DLC Management Agreement requires 180 days notice to terminate by either party.

COMPENSATION OF DIRECTORS

It is anticipated that the directors of the Resulting Issuer will be paid fees for their services, however, the amounts of such fees will be determined in the discretion of the Board of Directors of the Resulting Issuer following completion of the Transaction.

It is also expected that the Resulting Issuer will grant stock options to directors in recognition of the time and effort that such directors devote to the Resulting Issuer. The timing, amounts, exercise price of these future option-based awards are not yet determined.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No individual who: (a) is a director or officer of DLC, Craven or Ceniako or is proposed to be a director or officer of the Resulting Issuer; (b) at any time during the most recently completed financial year of DLC, Craven or Ceniako was a director or officer of DLC, Craven or Ceniako or (c) is an Associate of any of the foregoing, is either: (i) indebted to DLC, Craven or Ceniako or any of their subsidiaries; or (ii) indebted to another entity with such indebtedness being the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by DLC, Craven or Ceniako.

INVESTOR RELATIONS ARRANGEMENTS

No oral or written agreement has been entered into with any Person for the provision of investor relations services for the Resulting Issuer.

OPTIONS AND WARRANTS TO PURCHASE SECURITIES

There will be 51,071,397 Resulting Issuer Preferred Shares, 2,865,675 Resulting Issuer Warrants, and 4,545,455 DLC Preferred Shares outstanding following closing of the Transaction. Other than the

foregoing, no other securities will be outstanding which are convertible into, or exchangeable for, Resulting Issuer Common Shares following the completion of the Transaction. Please see *"Part III – Information Concerning the Resulting Issuer – Description of Securities – Fully Diluted Share Capital"*.

Upon Closing, the following Resulting Issuer Warrants will be outstanding:

Number of Warrants	Number of Resulting Issuer Common Shares to be issued on exercise of the Warrants	Expiry Date	Exercise Price ($/share)	Market Value as at Date of Issuance and Most Recent Month End
2,856,675	2,856,675	April 17, 2018	$0.20	N/A

There are no assurances that the warrants described above will be exercised in whole or in part.

STOCK OPTION PLAN

The Stock Option Plan of the Resulting Issuer will be the Stock Option Plan of DLC. For a description of the Stock Option Plan, see the heading *"Part I - Information Concerning DLC – Stock Option Plan"*.

ESCROWED SECURITIES

Resulting Issuer Escrow Agreement

In addition to the above, immediately upon completion of the Transaction, an additional 13,676,700 Resulting Issuer Common Shares and 51,071,397 Resulting Issuer Preferred Shares, being the Consideration Shares, will be held in escrow, pursuant to the Resulting Issuer Escrow Agreement, representing 47.1% of the total issued and outstanding Resulting Issuer Common Shares and 100% of the Resulting Issuer Preferred shares respectively. The Resulting Issuer Escrow Shares will be releasable as to 10% thereof following issuance by the Exchange of the Final Exchange Bulletin in respect of the Transaction, and as to 15% thereof on each of the 6, 12, 18, 24, 30 and 36 month anniversaries of the Final Exchange Bulletin. The release from escrow of the Resulting Issuer Escrow Shares may be accelerated if the Resulting Issuer is classified as a Tier 1 issuer on the Exchange.

All of the Resulting Issuer Escrow Shares will be held by Craven Industrial Holdings Plc, a corporation resident in the Republic of Ireland, Southern Cone Capital Ltd, a corporation resident in Hong Kong and Desmond Holdings Ltd, a corporation resident in Hong Kong As of the date of this Filing Statement, Craven Industrial Holdings Plc and Desmond Holdings Ltd do not hold any DLC Shares. As of the date of this Filing Statement Southern Cone Capital Ltd holds 7,550,000 DLC Shares.

Transfer of Escrow Shares

Where shares subject to escrow are to be held by a company or trust, such company or trust will be required to agree not to carry out, while its shares are in escrow, any transaction that would result in the change of control of the Resulting Issuer. Any such company will be required to further undertake to the Exchange that, to the extent reasonably possible, it will not permit or authorize any issuance or transfer of securities, which could reasonably result in a change of control of DLC.

All holders of Escrow Shares must obtain Exchange consent to transfer such shares, other than in specified circumstances set out in the governing escrow agreement.

AUDITORS

The auditors of the Resulting Issuer will be Davidson & Company LLP, Chartered Accountants, located at Suite 1200, 609 Granville Street, Vancouver, British Columbia, V7Y 1C3.

TRANSFER AGENT AND REGISTRAR

Computershare, which is currently DLC's registrar and transfer agent, will continue to serve as the Resulting Issuer's registrar and transfer agent. It is expected that transfers of the securities of the Resulting Issuer may be recorded at registers maintained by Computershare in Vancouver, British Columbia, Canada.

PART IV - GENERAL MATTERS

SPONSOR

No agent or sponsor has been retained in connection with the Transaction. The Exchange has granted a waiver of the sponsorship requirements for the Transaction.

EXPERTS

The following opinions or reports have been described or included in this Filing Statement: the audit reports of DLC for the fiscal years ended December 31, 2016, December 31, 2015, and December 31, 2014 are provided by Davidson & Company LLP, Chartered Accountants. Davidson & Company LLP, does not (a) have a direct or indirect interest in DLC, Craven or Ceniako (b) beneficially own, directly or indirectly, any securities of DLC, Craven or Ceniako or any Associate or Affiliate of DLC, Craven or Ceniako. In particular, Davidson & Company LLP, Chartered Accountants, have advised DLC, Craven and Ceniako, respectively, that they are independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

In addition, none of the aforementioned Persons or companies, nor any director, officer or employee of any of the aforementioned Persons or companies, is or is expected to be elected, appointed or employed as a director, officer or employee of the Resulting Issuer or of any Associate or Affiliate of the Resulting Issuer. See "*Forward-Looking Information*".

Except as disclosed herein, no professional Person who has provided an opinion or report referenced in this Filing Statement currently holds more than 1% of the DLC Shares and, upon completion of the Transaction, will not hold more than 1% of the issued and outstanding Resulting Issuer Shares.

Moreover, none of the foregoing Persons or any of their respective directors, officers or employees is, or expects to be, elected, appointed or employed as a director, officer or employee of the Resulting Issuer or its Associates or Affiliates.

OTHER MATERIAL FACTS

There are no other material facts concerning DLC, Craven, Ceniako, the Resulting Issuer or the Proposed Transaction that are not disclosed elsewhere in this Filing Statement.

APPROVAL OF THE BOARD OF DIRECTORS

The contents of this Filing Statement have been approved by the Board of Directors of DLC. Where information contained in this Filing Statement rests particularly within the knowledge of a person other than DLC, Craven or Ceniako, DLC has relied upon information furnished by such person.

APPENDIX A
FINANCIAL STATEMENTS OF DLC

DLC HOLDINGS CORP.

(formerly Desmond Investments Ltd.)

Condensed Consolidated Interim Financial Statements
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

As at and for the nine months ended September 30, 2017 and 2016

DLC HOLDINGS CORP.

(formerly Desmond Investments Ltd.)

(the "Company" or "DLC")

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
As at and for the nine months ended September 30, 2017

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The Management of the Company is responsible for the preparation of the accompanying unaudited condensed consolidated interim financial statements. The unaudited condensed consolidated interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS") for the preparation of condensed consolidated interim financial statements and are in accordance with IAS 34 – Interim Financial Reporting.

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

DLC Holdings Corp. (formerly Desmond Investments Ltd.)
Condensed Consolidated Interim Statements of Financial Position
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)
As at

		September 30, 2017		December 31, 2016
Assets				
Current Assets				
Cash	**$**	**48,448**	$	77,575
Receivable		**1,090**		13,307
		49,538		90,882
Property, plant and equipment (Note 6)		**780,916**		852,596
Total Assets	**$**	**830,454**	$	943,478
Liabilities and Shareholders' Equity				
Current Liabilities				
Accounts payable and accrued liabilities (Note 7)	**$**	**116,423**	$	85,038
Due to related party		**-**		27,875
		116,423		112,913
Long-term Liabilities				
Deferred Tax		**13,700**		13,700
Due to related parties		**165,170**		116,465
Promissory Note		**166,136**		158,898
		345,006		289,063
Total liabilities	**$**	**461,429**	$	401,976
Shareholders' Equity				
Share capital (Note 11)		**1,691,086**		1,691,086
Share-based payment reserve (Note 11)		**194,500**		194,500
Accumulated other comprehensive loss		**14,747**		40,473
Deficit		**(1,531,308)**		(1,384,557)
		369,025		541,502
Total Liabilities and Shareholders' Equity	**$**	**830,454**	$	943,478

Nature and Continuance of Operations (Note 1)
Proposed Transaction (Note 17)

Approved on November 29, 2017 on behalf of the Board:

"Mark Pajak"
Mark Pajak – Director

"Craig Goldenberger"
Craig Goldenberger– Director

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

DLC Holdings Corp. (formerly Desmond Investments Ltd.)
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)
As at

	For the three months ended September 30,		For the nine months ended September 30,	
	2017	2016	**2017**	2016
Expenses:				
Operating expenses (Note 9)	**18,873**	18,360	**117,350**	100,356
General and administration costs (Note 9)	**36,712**	16,198	**106,490**	87,792
	(55,585)	(34,558)	**(223,840)**	(188,148)
Other items:				
Finance costs	**(2,275)**	(13,618)	**(17,586)**	(13,618)
Other income (Note 10)	**31,192**	25,680	**94,675**	73,541
Net loss for the period	**(26,668)**	(22,496)	**(146,751)**	(128,225)
Foreign exchange movements	**(31,504)**	(1,747)	**(25,726)**	(32,353)
Comprehensive loss	**$ (58,172)**	$ (24,243)	**$ (172,477)**	$ (160,578)
Weighted average number of shares outstanding (Note 11(c))	**15,356,675**	15,356,675	**15,356,675**	15,356,675
Basic and diluted loss per share	**$ (0.00)**	$ (0.00)	**$ (0.01)**	$ (0.01)

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

DLC Holdings Corp. (formerly Desmond Investments Ltd.)
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)
As at

	Number of Common Shares (Note 11)	Number of Preferred Shares	Share Capital Amount	Share-based payment reserve	Accumulated Other Comprehensive Loss	Deficit	Total Shareholders' Equity
Balance, December 31, 2015	**15,356,675**	**4,545,455**	**$ 1,691,086**	**$ 194,500**	**$ (41,613)**	**$ (1,192,403)**	**$ 651,570**
Net loss	-	-	-	-	-	(128,225)	(128,225)
Foreign exchange movements	-	-	-	-	(32,353)	-	(32,353)
Balance, September 30, 2016	**15,356,675**	**4,545,455**	**$ 1,691,086**	**$ 194,500**	**$ (73,966)**	**$ (1,320,628)**	**$ 490,992**
Balance, December 31, 2016	**15,356,675**	**4,545,455**	**$ 1,691,086**	**$ 194,500**	**$ 40,473**	**$ (1,384,557)**	**$ 541,502**
Net loss	-	-	-	-	-	(146,751)	(146,751)
Foreign exchange movements	-	-	-	-	(25,726)	-	(25,726)
Balance, September 30, 2017	**15,356,675**	**4,545,455**	**$ 1,691,086**	**$ 194,500**	**$ 14,747**	**$ (1,531,308)**	**$ 369,025**

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

DLC Holdings Corp. (formerly Desmond Investments Ltd.)
Condensed Consolidated Interim Statements of Cash Flow
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)
As at

	For the nine months ended September 30,	
	2017	2016
Cash provided by / (used for):		
Operating Activities:		
Net loss for the year	**$ (146,751)**	$ (128,225)
Items not affecting cash:		
Depreciation	**64,555**	72,180
Accrued interest	**7,238**	-
Net change in non-cash working capital items:		
Receivables	**12,217**	2,132
Accounts payable and accrued liabilities	**31,385**	53,306
Current tax payable	**-**	(19,670)
Net cash used in operating activities	**(31,356)**	(20,277)
Financing Activities:		
Due to related party	**20,830**	35,037
	20,830	35,037
Effect of foreign exchange on cash	**(18,601)**	10,578
Increase/(decrease) in cash for the period	**(29,127)**	25,338
Cash, beginning of the period	**77,575**	1,062
Cash, end of the period	**$ 48,448**	$ 26,400
Supplementary Information:		
Cash paid during the period for interest expense	**$ -**	$ -
Cash paid during the period for income taxes	**$ -**	$ -

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

1. NATURE AND CONTINUANCE OF OPERATIONS

DLC Holdings Corp. (the "Company") was incorporated pursuant to the provisions of the British Columbia Business Corporations Act on March 25, 2011 and is listed for trading on the TSX Venture Exchange ("Exchange") under the symbol DLC. On April 17, 2014, the Company completed a Qualifying Transaction ("QT") with the acquisition of EmVest Nuts (Pty) Ltd. ("EmVest"). Following this acquisition, the Company changed the name of its wholly owned South-African subsidiary from EmVest Nuts (pty) Ltd to Superior Macadamias (Pty) Ltd ("Superior Macs"). Superior Macs has the facilities and knowledge to process and sell macadamia nuts and is currently exploring related business opportunities. On February 2, 2017, the Company changed its name from Desmond Investments Ltd. to DLC Holdings Corp.

This Company's head office address is 1600 - 609 Granville Street, Vancouver, British Columbia, Canada V7Y 1C3, and its registered and records office address is 2200 – 885 West Georgia Street, Vancouver, British Columbia V6C 3E8.

As at September 30, 2017, the Company has a cash balance of $48,448 and a working capital deficit of $66,885. Management believes that the Company likely has insufficient funds from which to fund on-going operating requirements for the near term. The Company's continued operations are significantly dependent upon its ability to achieve profitable operations. If the Company fails to achieve profitable operations, the Company may be required to obtain further financing to meet obligations as they become due. The Company has a history of losses and has accumulated a deficit of $1,531,308 as at September 30, 2017. These factors cast doubt about the Company's ability to continue as a going concern.

These consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than a process of forced liquidation. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. BASIS OF PREPARATION

The condensed consolidated interim financial statements of the Company have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB") and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting.

These condensed consolidated interim financial statements do not include all of the information required for the full annual financial statements and therefore should be read in conjunction with the most recent audited annual financial statements as at and for the year ended December 31, 2016 of the Company which are available on www.sedar.com.

The condensed consolidated interim financial statements include the accounts of the Company and the following wholly owned subsidiaries:

Name of Subsidiary	Ownership	Activity
0978612 BC Ltd	Since incorporation on August 23, 2013 pursuant to the Business Corporations Act (British Columbia)	Inactive company
Superior Macadamias (Pty) Ltd (Formerly EmVest Nuts (Pty) Ltd.)	Acquired by the Company on April 17, 2014, originally incorporated pursuant to the Companies Act 2008 (South Africa) on January 25, 2010.	Superior Macs is an agricultural processor and distributor of macadamia nuts.

The accounts of Superior Macs have been included in these condensed interim consolidated financial statements from the acquisition date. All intercompany balances and transactions have been eliminated on consolidated.

These condensed consolidated interim financial statements of the Company are presented in Canadian dollars, and the functional currency is the South African Rand.

The Company's condensed consolidated interim financial statements were authorized for issue by the Board of Directors on November 29, 2017.

3. SIGNIFICANT ACCOUNT POLICIES

These condensed consolidated interim financial statements of the Company have been prepared on the historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, the condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for the statement of cash flows.

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Company's most recent annual audited December 31, 2016 financial statements, which are available on www.sedar.com, and reflect all of the adjustments necessary for fair presentation in accordance with IAS 34.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in conformity with International Financial Reporting Standards ("IFRS") requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(a) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year which include:

i. Useful life equipment
Each significant component of an item of equipment is depreciated over its estimated useful life. Estimated useful lives are determined based on current facts and past management experience, and take into consideration the anticipated physical life of the asset, existing long-term sales agreements and contracts, current and forecasted demand, and the potential for technological obsolescence.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(a) Critical accounting estimates (continued)

ii. Deferred income tax

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful operations of the Company. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

iii. Impairment of long lived assets

The carrying value of long lived assets is reviewed each reporting period to determine whether there is any indication of impairment. If the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and an impairment loss is recognized in the consolidated statement of loss. The assessment of fair values, including those of the cash generating units (the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflow from other assets or groups of assets – "CGUs") for purposes of impairment testing, require the use of estimates and assumptions for discount rates, foreign exchange rates, future capital requirements and operating performance. Changes in any of the assumption or estimates used in determining the fair value of long lived assets could impact the impairment analysis.

(b) Critical accounting judgements

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are, but are not limited to, the following:

i. Determination of functional currency

The functional currency of the Company is the South African Rand. The functional currency determination was conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates. The determination of functional currency involves certain judgments to determine the primary economic environment and the Company reconsiders the functional currency if there are changes in events and conditions of the factors used in the determination of the primary economic environment.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(b) Critical accounting judgements

ii. Going Concern
The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its operations and working capital requirements as discussed in Note 1.

5. RECENT ACCOUNTING PRONOUNCEMENTS

A number of new IFRS standards, amendments to standards and interpretations are not yet effective for the nine months ended September 30, 2017, and have not been applied in preparing these financial statements. None of these is expected to have an effect on the Company's financial statements.

Effective for annual periods beginning on or after January 1, 2018

i. IFRS 9 Financial Instruments – Classification and Measurement
IFRS 9 is a new standard on financial instruments that will replace IAS 39, Financial Instruments: Recognition and Measurement.

IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as derecognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss.

ii. IFRS 15 Revenue from Contracts with Customers
IFRS 15 is a new standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model in order to depict the transfer of promised goods or services to customers. IFRS 15 supersedes IAS 11, Construction Contracts, IAS 18, Revenue, IFRIC 13, Customer Loyalty Programs, IFRIC 15, Agreements for the Construction of Real Estate, IFRIC 18, Transfers of Assets from Customers, and SIC-31, Revenue – Barter Transactions involving Advertising Services.

6. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Plant and Equipment	Furniture, fixtures and other	Total
Costs:					
December 31, 2016	$ 40,662	$ 610,523	$ 454,743	$ 3,207	$ 1,109,135
Additions	-	-	-	-	-
September 30, 2017	**$ 40,662**	**$ 610,523**	**$ 454,743**	**$ 3,207**	**$ 1,109,135**
Accumulated Depreciation:					
December 31, 2016	$ -	$ 47,273	$ 185,827	$ 1,428	$ 234,528
Depreciation	-	14,265	49,842	398	64,555
September 30, 2017	**$ -**	**$ 61,538**	**$ 235,719**	**$ 1,826**	**$ 299,083**
Foreign Exchange Movement:					
December 31, 2016					$22,011
September 30, 2017					**$ 29,136**
Net Book Value:					
December 31, 2016					$ 852,596
September 30, 2017					**$ 780,916**

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2017	December 31, 2016
Trade payables	**$ 42,448**	$ 53,529
VAT	**4,316**	12,606
Accruals	**69,659**	18,903
	$ 116,423	$ 85,038

8. BANK INDEBTEDNESS

The Company has a bank overdraft facility in South Africa which bears interest at a rate of prime plus 0.6%. As at September 30, 2017, it was a rate of 11.60%. No further amounts may be borrowed under this facility.

9. BREAKDOWN OF EXPENSES BY NATURE

Nature	For the three months ended September 30,		For the nine months ended September 30,	
	2017	2016	**2017**	2016
Operating expenses:				
Depreciation	**$ -**	**$ 6,885**	**$ 64,555**	**$ 65,552**
Insurance	**980**	**1,781**	**3,064**	**1,781**
Miscellaneous	**2,724**	**(1,524)**	**4,618**	**(1,524)**
Repairs and maintenance	**-**	**-**	**-**	**-**
Salaries and wages	**-**	**-**	**-**	**-**
Utility costs	**15,169**	**16,187**	**45,114**	**16,187**
	$ 18,873	**$ 23,329**	**$ 117,351**	**$ 81,996**
General and administrative costs:				
Foreign exchange gain	**$ 9**	**$ 4**	**$ 25**	**$ 29**
Miscellaneous	**36**	**75**	**143**	**121**
Professional fees	**37,201**	**46,468**	**94,189**	**61,468**
Transfer agent and filing fees	**(534)**	**3,114**	**12,133**	**9,976**
	$ 36,712	**$ 49,661**	**$ 106,490**	**$ 71,594**

10. OTHER INCOME

Other income consists of incidental income earned through the provision of administrative and lab services.

11. SHARE CAPITAL

(a) Authorized Unlimited number of common shares without par value
Unlimited number of preferred shares without par value

(b) Share issuances

On April 17, 2014, the Company issued 4,545,455 non-voting restricted preferred shares ("Preferred Shares") in connection with the acquisition of Superior Macs. The Preferred Shares are convertible into common shares of the Company on a 1 for 1 basis (as of March 31, 2016 none have converted). The Preferred Shares, and the common shares which they are convertible into (together, the "Superior Mac Shares"), were subject to an escrow agreement. 10% were released upon completion of the Company's QT, and the remaining 90% were released on an equal basis every 6 months thereafter. As of September 30, 2017, all of the Superior Mac Shares have been released from escrow.

11. SHARE CAPITAL (continued)

(c) Escrow shares

In addition to the escrow provision relating to the Superior Mac Shares, a total of 10,000,000 of the Company's common shares were held in escrow prior to completion of the QT. 10% of the escrow shares were released on a pro-rata basis to the shareholders upon final acceptance of the Company's QT by the Exchange, which occurred on April 25, 2014, and the remainder of these escrowed shares were released in six equal tranches of 15% every six months thereafter for a period of 36 months.

Balance, December 31, 2015	**4,500,000**
April 25, 2016	(1,500,000)
October 25, 2016	(1,500,000)
April 25, 2017	(1,500,000)
Balance, September 30, 2017	**-**

(d) Stock Options:

The Company has a stock option plan under which it is authorized to grant to executive officers and directors, employees and consultants stock options enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock, less an applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of 10 years and vest at the discretion of the Board of Directors.

A summary of the Company's stock option activity is as follows:

	Number of Options outstanding and exercisable	Weighted Average Exercise Price
Balance, December 31, 2015 and 2016	**1,200,000**	**$ 0.15**
Expired	(1,200,000)	$ (0.15)
Balance, September30, 2017	**-**	**-**

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions may have a material effect on the fair value of the Company's stock options.

11. SHARE CAPITAL (continued)

(e) Warrants

At September 30, 2017, warrants outstanding are as follows:

Issue Date	Number of Warrants	Exercise Price	Expiry date	Remaining contractual life (years)
April 17, 2014	2,856,675	$0.20	April 17, 2018	0.55

12. RELATED PARTY TRANSACTIONS

Key Personnel Compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. The remuneration of directors and key management personal during the nine months ended September 30, 2017 and 2016 are as follows:

Type of Service	Nature of Relationship	For the three months ended September 30,		For the nine months ended September 30,	
		2017	2016	**2017**	2016
Management fees	To a company with an officer in common with the Company	**$ 10,500**	$ 10,500	**$ 31,500**	$ 21,000
Total		**$ 10,500**	$ 10,500	**$ 31,500**	$ 21,000

The following represents amounts due to related parties as at September 30, 2017, not already disclosed elsewhere in these condensed consolidated interim financial statements:

Type of Service	Nature of Relationship	September 30, 2017	December 31, 2016
Loans	To a company with a director in common	**$ 159,823**	$ 111,118
Loans	To the CEO of the Company	**5,347**	5,347
Professional fees	To a company with an officer in common with the Company	**59,375**	27,875
Total		**$ 224,545**	$ 144,340

13. CAPITAL MANAGEMENT

The Company defines capital as consisting of shareholder's equity (comprised of issued share capital, share-based payment reserve, deficit and accumulated other comprehensive loss) and cash. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital, but rather relies on the expertise of the Company's management to sustain the future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. As at September 30, 2017, the Company does not have any long-term debt outstanding and is not subject to any externally imposed capital requirements or debt covenants.

14. FINANCIAL INSTRUMENTS

(a) Fair Value

The Company's receivable is classified as loans and receivables and is measured at amortized cost. Accounts payable and accrued liabilities, bank indebtedness and taxes payable are classified as other liabilities and are measured at amortized cost. The Fair values of its receivables, accounts payable and accrued liabilities, taxes payable, and bank indebtedness approximate their carrying values due to their short-term maturity. The Company's other financial instrument, cash under the fair value hierarchy is based on level one quoted prices in active markets for identical assets or liabilities.

14. FINANCIAL INSTRUMENTS (continued)

(b) Financial Risks Factors

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

I. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. At September 30, 2017, the Company has a working capital deficit of $66,885 (December 31, 2016 - $22,031) and a history of losses. The Company's ability to finance its future operating requirements is significantly dependent on the Company's ability to achieve profitable returns on its operating activities. Without these returns, the Company will remain dependent upon the continued financial support of its debtors and shareholders. The Company, as at September 30, 2017 is significantly exposed to liquidity risk.

II. Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign currency risk on fluctuations related to cash, accounts payable and accrued liabilities and bank indebtedness that are denominated in US dollars and South African RAND. A 1% fluctuation in the US/dollar against the Canadian dollar exchange rate would have an insignificant impact on the Company's cash balance and foreign exchange gain or loss for the period.

III. Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company places its cash with institutions of high-credit worthiness. Management has assessed there to be a low level of credit risk associated with its cash balances. The Company's receivable balance relates solely to GST receivable from the Government of Canada. Management has assessed a low level of credit risk with respect to this receivable balance.

IV. Interest rate risk

Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in interest rates. The Company's bank indebtedness bears interest at prime plus 0.6%. As at September 30, 2017, a 10% change in prime rate would have an insignificant impact to the Company's net loss and comprehensive loss.

The Company's cash earns interest at a nominal rate. Interest risk related to cash and cash equivalents is therefore insignificant.

15. SEGMENTED INFORMATION

The Company operates in one business segment, the agricultural processing and distribution of macadamia nuts in one geographic region: South Africa. The Company's assets and liabilities are as follows:

	Canada	South Africa	Total
As at September 30, 2017			
Cash	$ 27,780	$ 20,668	$ 48,448
Receivable	1,090	-	1,090
Property, Plant and Equipment	-	780,916	780,916
	$ 28,870	**$ 801,584**	**$ 830,454**

	Canada	South Africa	Total
As at December 31, 2016			
Cash	$ 56,905	$ 20,670	$ 77,575
Receivable	423	12,884	13,307
Property, Plant and Equipment	-	852,596	852,596
	$ 57,328	**$ 886,150**	**$ 943,478**

16. FUTURE ACCOUNTING PRONOUNCEMENTS

A number of new IFRS standards, amendments to standards and interpretations are not yet effective for the nine months ended September 30, 2017, and have not been applied in preparing these financial statements. None of these is expected to have an effect on the Company's financial statements. The Company has not early adopted these revised standards.

Effective for annual periods beginning on or after January 1, 2018

IFRS 9: Financial instruments: Classification and Measurement: applied to classification and measurement of financial assets and liabilities as defined in IAS 39. It is affective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

IFRS 15: Revenue from Contracts with Customers: a new standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model in order to depict the transfer of promised goods or services to customers. IFRS 15 supersedes IAS 11, Construction Contracts, IAS 18, Revenue, IFRIC 13, Customer Loyalty Programs, IFRIC 15, Agreement for the Construction of Real Estate, IFRIC 18, Transfers of Assets from Customers, and SIC-31, Revenue – Baster Transactions involving Advertising Services.

16. FUTURE ACCOUNTING PRONOUNCEMENTS (continued)

Effective for annual periods beginning on or after January 1, 2019

IFRS 16: Leases: a new standard that sets out the principle for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. The new standard eliminates the classification of lease as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model.

17. PROPOSED TRANSACTION

On September 5, 2017 the Company announced that it has entered into four definitive share purchase agreements (the "Share Purchase Agreements") each dated August 22, 2017, to acquire 60.5% of the issued and outstanding share capital of Ceniako Ltd. (a private corporation duly incorporated under the laws of Cyprus); and to acquire 100% of the issued and outstanding share capital of Craven House Industries Ltd. (a private corporation duly incorporated under the laws of Ireland). The Share Purchase Agreements are to be completed concurrently, and will together form a transaction that will constitute a reverse takeover.

Pursuant to the terms of each applicable share purchase agreement, the Company has agreed to issue 28,902,845 common shares of the Company in consideration for 60.5% of Ceniako Ltd.; 35,845,252 common shares of the Company in consideration for 100% of Craven House Industries Ltd.; and up to an additional 4,770,750 common shares of the Company in the event Superior Macs does not meet certain EBITDA targets, or is sold for less than US$2.5 million.

Upon completion of the transaction, the Company will control ≈2,500 hectares of land as well as ≈10km of direct beach / water-front real estate facing the South Atlantic Ocean in Brazil. DLC intends to utilise the land to further its investment in the agricultural land and food processing industry.

The completion of the transaction is subject to a number of conditions, including, but not limited to, the receipt of all required shareholder, regulatory and third party consents, including exchange acceptance, and satisfaction of other customary closing conditions.

DLC HOLDINGS CORP.

(formerly Desmond Investment Ltd.)

Consolidated Financial Statements
(Expressed in Canadian Dollars)

As at and for the year ended December 31, 2016 and 2015

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
DLC Holdings Corp. (formerly Desmond Investments Ltd.)

We have audited the accompanying consolidated financial statements of DLC Holdings Corp. (formerly Desmond Investments Ltd.), which comprise the consolidated statements of financial position as at December 31, 2016 and 2015, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of DLC Holdings Corp. (formerly Desmond Investments Ltd.) as at December 31, 2016 and 2015 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about DLC Holdings Corp. (formerly Desmond Investments Ltd.)'s ability to continue as a going concern.

"DAIVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Professional Accountants

May 1, 2017

DLC Holdings Corp. (formerly Desmond Investments Ltd.)
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)
As at

		December 31, 2016		December 31, 2015
Assets				
Current Assets				
Cash	**$**	**77,575**	$	1,062
Receivables		**13,307**		2,185
		90,882		3,247
Property, plant and equipment (Note 4)		**852,596**		849,053
Total Assets	**$**	**943,478**	$	852,300
Liabilities and Shareholders' Equity				
Current Liabilities				
Accounts payable and accrued liabilities (Note 5)	**$**	**85,038**	$	94,013
Bank indebtedness (Note 6)		**-**		26,108
Due to related parties (Note 11)		**27,875**		47,239
Taxes payable		**-**		19,670
		112,913		187,030
Long-term Liabilities				
Deferred Tax (Note 17)		**13,700**		13,700
Due to related parties (Note 11)		**116,465**		-
Promissory Note (Note 9)		**158,898**		-
		289,063		13,700
Total liabilities	**$**	**401,476**	**$**	200,730
Shareholders' Equity				
Share capital (Note 10)		**1,691,086**		1,691,086
Share-based payment reserve (Note 10)		**194,500**		194,500
Accumulated other comprehensive loss		**40,473**		(41,613)
Deficit		**(1,384,557)**		(1,192,403)
		541,502		651,570
Total Liabilities and Shareholders' Equity	**$**	**943,478**	$	852,300

Nature and Continuance of Operations (Note 1)

Approved on May 1, 2017 on behalf of the Board:

"Mark Pajak"
Mark Pajak – Director

"Craig Goldenberger"
Craig Goldenberger– Director

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

DLC Holdings Corp. (formerly Desmond Investments Ltd.)
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)
As at

	For the years ended December 31,	
	2016	2015
Expenses:		
Operating expenses (Note 7)	$ **179,282**	$ 144,892
General and administration costs (Note 7)	**111,632**	305,348
	(290,914)	(450,240)
Other items:		
Finance costs	**(12,822)**	(5,239)
Other costs	**-**	(1,010)
Other income (Note 8)	**111,582**	50,015
Net loss	**$ (192,154)**	$ (406,474)
Foreign exchange movements	**82,086**	(39,450)
Comprehensive (loss)	**$ (110,068)**	$ (445,924)
Weighted average number of shares outstanding	**15,356,675**	15,356,675
Basic and diluted loss per share	**$ (0.01)**	$ (0.03)

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

DLC Holdings Corp. (formerly Desmond Investments Ltd.)
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars)
As at

	Number of Common Shares (Note 9)	Number of Preferred Shares	Share Capital Amount	Share-based payment reserve	Accumulated Other Comprehensive Loss	Deficit	Total Shareholders' Equity
Balance, December 31, 2014	15,356,675	4,545,455	$ 1,691,086	$ 52,500	$ (2,163)	$ (785,929)	$ 955,494
Net loss	-	-	-	-	-	(406,474)	(406,474)
Share based compensation	-	-	-	142,000	-	-	142,000
Foreign exchange movements	-	-	-	-	(39,450)	-	(39,450)
Balance, December 31, 2015	15,356,675	4,545,455	$ 1,691,086	$ 194,500	$ (41,613)	$ (1,192,403)	$ 651,570
Net loss	-	-	-	-	-	(192,154)	(192,154)
Foreign exchange movements	-	-	-	-	82,086	-	82,086
Balance, December 31, 2016	**15,356,675**	**4,545,455**	**$ 1,691,086**	**$ 194,500**	**$ 40,473**	**$ (1,384,557)**	**$ 541,502**

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

DLC Holdings Corp. (formerly Desmond Investments Ltd.)
Consolidated Statements of Cash Flow
(Expressed in Canadian dollars)
As at

	For the year ended December 31,	
	2016	2015
Cash provided by / (used for):		
Operating Activities:		
Net loss for the year	**$ (192,154)**	$ (406,474)
Items not affecting cash:		
Depreciation and amortization	**73,966**	86,186
Finance costs accrued	**12,822**	5,239
Share-based compensation	**-**	142,000
Net change in non-cash working capital items:		
Receivables	**(11,122)**	(2,185)
Accounts payable and accrued liabilities	**(8,975)**	3,421
Current tax payable	**(19,670)**	(68,893)
Due to related party	**27,875**	-
Net cash used in operating activities	**(117,258)**	(240,706)
Financing Activities:		
Proceeds from related party	**57,802**	42,000
Repayment of bank indebtedness	**(26,108)**	323
Proceeds from promissory note	**157,500**	-
	189,194	42,323
Effect of foreign exchange on cash	**4,577**	11,294
Change in cash for the year	**76,513**	(187,089)
Cash, beginning of the year	**1,062**	188,151
Cash, end of the year	**$ 77,575**	$ 1,062
Supplementary Information:		
Cash paid during the year for interest expense	**$ -**	$ -
Cash paid during the year for income taxes	**$ -**	$ -

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

1. NATURE AND CONTINUANCE OF OPERATIONS

DLC Holdings Corp. (the "Company") was incorporated pursuant to the provisions of the British Columbia Business Corporations Act on March 25, 2011 and is listed for trading on the TSX Venture Exchange ("Exchange") under the symbol DLC. On April 17, 2014, the Company completed a Qualifying Transaction ("QT") with the acquisition of EmVest Nuts (Pty) Ltd. ("EmVest"). Following this acquisition, the Company changed the name of its wholly owned South-African subsidiary from EmVest Nuts (pty) Ltd to Superior Macadamias (Pty) Ltd ("Superior Macs"). Superior Macs has the facilities and knowledge to process and sell macadamia nuts and is currently exploring related business opportunities.

This Company's head office address is 1600 - 609 Granville Street, Vancouver, British Columbia, Canada V7Y 1C3, and its registered and records office address is 2200 – 885 West Georgia Street, Vancouver, British Columbia V6C 3E8.

As at December 31, 2016, the Company has a cash balance of $77,575 and a working capital deficit of $22,031. Management believes that the Company likely has insufficient funds from which to fund on-going operating requirements for the near term. The Company's continued operations are significantly dependent upon its ability to achieve profitable operations. If the Company fails to achieve profitable operations, the Company may be required to obtain further financing to meet obligations as they become due. The Company has a history of losses and has accumulated a deficit of $1,384,557 as at December 31, 2016. These factors cast significant doubt about the Company's ability to continue as a going concern.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than a process of forced liquidation. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance with IFRS

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB") and interpretations of the IFRS interpretations Committee ("IFRIC") effective for the year presented.

The Company's consolidated financial statements were authorized for issue by the Board of Directors on May 1, 2017.

(b) Basis of presentation

The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, the financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The financial statements of the Company are presented in Canadian dollars. The functional currency if the Company and 0978612 BC Ltd. is the Canadian Dollar. The functional currency of Superior Macadamias (Pty) Ltd. (formerly EmVest Nuts (Pty) Ltd.) is the South African Rand.

(c) Consolidation

The consolidated financial statements include the accounts of the Company and the following wholly owned subsidiaries:

Name of Subsidiary	Ownership	Activity
0978612 BC Ltd	Since incorporation on August 23, 2013 pursuant to the Business Corporations Act (British Columbia)	Inactive company
Superior Macadamias (Pty) Ltd (Formerly EmVest Nuts (Pty) Ltd.)	Acquired by the Company on April 17, 2014 (Note 15), originally incorporated pursuant to the Companies Act 2008 (South Africa) on January 25, 2010.	Superior Macs is an agricultural processor and distributor of macadamia nuts.

All Intercompany balances and transactions have been eliminated on consolidation.

2. SIGNIFICANT ACCOUNT POLICIES (continued)

(d) Capital stock

Common and preferred shares are classified as share capital. Incremental costs directly attributable to the issuance of common and preferred shares are recognized as a deduction from equity, net of any tax effects.

(e) Loss per share

The Company presents basic and diluted earnings (loss) per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Dilutive loss per share is calculated by dividing the earnings (loss) by the weighted average number of common shares outstanding assuming that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. In the Company's case, diluted loss per share is the same as basic loss per share, as the effect of outstanding share options and warrants on loss per share would be anti-dilutive.

Contingently issuable shares are not considered outstanding common shares and consequently are not included in loss per share calculation.

(f) Share-based payments

The stock option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Consideration paid on the exercise of stock options is credited to capital stock and the fair value of the options is reclassified from share-based payment reserves to share capital.

In situations where equity instruments are issued to non-employees and some or all of the services received by the entity as consideration cannot be specifically identified, they are all measured at the fair value of the share-based payment, otherwise, share-based payment is measured at the fair value of the services received. The fair value is measured at grant date and each tranche is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the number of stock options that are expected to vest.

2. SIGNIFICANT ACCOUNT POLICIES (continued)

(g) Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for a year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purpose. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable operations, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(h) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provision are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability, the unwinding of the discount is recognized as finance costs. The Company does not have any provisions for the years presented.

2. SIGNIFICANT ACCOUNT POLICIES (continued)

(i) Financial Instrument measurement and valuation

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 Unadjusted quoted prices in active markets for identical assets liabilities;
Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 Inputs that are not based on observable market data.

The measurement of the Company's financial instruments is disclosed in Note 14 to these financial statements. Any financial instrument that is valued using level 2 or level 3 inputs will involved estimate uncertainty.

(j) Financial assets

The Company classifies its financial assets into one of the following categories and the accounting policy for each category is as follows"

i. Fair value through profit or loss ("FVTPL")

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorized as FVTPL unless they are designed as effective hedges. Asset in this category include cash.

Financial assets at FVTPL are initially recognized, and subsequently carried, at fair value with changes recognized in profit or loss. Attributed transaction costs are recognized in profit or loss when incurred.

ii. Available-for-sale ("AFS")

Financial assets available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income or loss ("OCI") except for losses in value that are considered other than temporary or a significant or prolonged decline in the fair value of that investment below its cost. The Company does not have any AFS assets.

Financial assets AFS are initially recognized, and subsequently carried at fair value with changes recognized in OCI. Attributable acquisition transaction costs, if any, are recognized in the initial fair value.

2. SIGNIFICANT ACCOUNT POLICIES (continued)

(j) Financial assets (continued)

iii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months or those that are expected to be settled after 12 months from the end of the reporting period, which are classified as non-current assets. Assets in this category include receivables.

Loans and receivables are initially recognized at fair value plus any directly attributable transaction costs and subsequently carried at amortized cost using the effective interest method. The effective interest method is used to determine the amortized cost of loans and receivables and to allocate interest income over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial asset, or, where appropriate, a shorter period.

iv. Held to maturity

These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are initially recorded at fair value and subsequently measured at amortized cost basis using the effective interest method, less any impairment losses. These assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. The Company does not have any assets classified as held to maturity.

v. Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- Significant financial difficulty of the issuer or counterparty;
- Default or delinquency in interest or principal payments; or
- It has become probable that the borrower will enter bankruptcy or financial reorganization

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount, and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

2. SIGNIFICANT ACCOUNT POLICIES (continued)

(j) Financial assets (continued)

v. Impairment of financial assets (continued)

For financial assets measured at amortized costs, if, in a subsequent period, the amount of the impairment loss decrease and the decrease can be related objectively to an event occurring after the impairment losses were recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the assets at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

vi. De-recognition of financial assets

Financial assets are derecognized when the rights to receive cash flows from the assets expire or the financial assets are transferred and the Company has transferred substantially all of the risks and rewards of ownership of the financial assets. On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

(k) Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group entities are recorded at the proceeds received, net of direct issue costs.

The Company classifies its financial liabilities into one of two categories and the accounting policy for each category is as follows:

i. Fair value through profit or loss
This category of financial liability includes liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are initially recorded at fair value with subsequent changes in fair value recognized in profit and loss. The Company does not have any financial liabilities classified as fair value through profit and loss.

ii. Other financial liabilities
Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis. This category includes accounts payables and accrued liabilities, bank indebtedness, due to related party and promissory note.

2. SIGNIFICANT ACCOUNT POLICIES (continued)

(l) Property, Plant and Equipment

Property, plant and equipment are carried at acquisition cost less accumulated depreciation and impairment losses. Depreciation is determined at rates which will reduce the original cost to estimated residual values over the expected useful life of each asset. Depreciation is recognized using a straight line basis using the following estimated useful lives:

	Estimated Useful Life
Land	Indefinite
Buildings	20 years
Plant and machinery	5 years
Furniture, fixtures and other	5 years

Property, plant and equipment that are withdrawn from use, or have no reasonable prospect of being recovered through use or sale, are regularly identified and written off. Residual values and useful economic lives are reviewed at least annually, and adjusted if appropriate, at each reporting date.

Subsequent expenditure relating to an item of property, plant and equipment is capitalized when it is probable that future economic benefits from the use of the assets will be increased. All other subsequent expenditures are recognized as repairs and maintenance.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is de-recognized. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

(m) Impairment of non-financial assets

The carrying amount of the Company's non-financial assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of loss and comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs. An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change

2. SIGNIFICANT ACCOUNT POLICIES (continued)

(m) Impairment of non-financial assets (continued)

in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years. Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

(n) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of the borrowing cost eligible for capitalization is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining qualifying assets less any temporary investment income from those borrowings
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalized do not exceed the total borrowing costs incurred.

The capitalization of borrowing costs commences when:

- Expenditures for the asset have occurred;
- Borrowing costs have been incurred; and
- Activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalization is suspended during extended periods in which active development is interrupted.

Capitalization of borrowing costs ceases when substantially all of the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognized as an expense in the period in which they are incurred.

2. SIGNIFICANT ACCOUNT POLICIES (continued)

(o) Recent Accounting Pronouncements

A number of new IFRS standards, amendments to standards and interpretations are not yet effective for the year ended December 31, 2016, and have not been applied in preparing these financial statements. None of these is expected to have an effect on the Company's financial statements.

Effective for annual periods beginning on or after January 1, 2018

i. IFRS 9 Financial Instruments – Classification and Measurement
IFRS 9 is a new standard on financial instruments that will replace IAS 39, Financial Instruments: Recognition and Measurement.

IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as derecognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss.

ii. IFRS 15 Revenue from Contracts with Customers
IFRS 15 is a new standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model in order to depict the transfer of promised goods or services to customers. IFRS 15 supersedes IAS 11, Construction Contracts, IAS 18, Revenue, IFRIC 13, Customer Loyalty Programs, IFRIC 15, Agreements for the Construction of Real Estate, IFRIC 18, Transfers of Assets from Customers, and SIC-31, Revenue – Barter Transactions involving Advertising Services.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements in conformity with International Financial Reporting Standards ("IFRS") requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(a) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year which include:

i. Deferred income tax

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful operations of the Company. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

ii. Useful life equipment

Each significant component of an item of equipment is depreciated over its estimated useful life. Estimated useful lives are determined based on current facts and past management experience, and take into consideration the anticipated physical life of the asset, existing long-term sales agreements and contracts, current and forecasted demand, and the potential for technological obsolescence.

iii. Impairment of long lived assets

The carrying value of long lived assets is reviewed each reporting period to determine whether there is any indication of impairment. If the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and an impairment loss is recognized in the consolidated statement of loss. The assessment of fair values, including those of the cash generating units (the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflow from other assets or groups of assets – "CGUs") for purposes of impairment testing, require the use of estimates and assumptions for discount rates, foreign exchange rates, future capital requirements and operating performance. Changes in any of the assumption or estimates used in determining the fair value of long lived assets could impact the impairment analysis.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(b) Critical accounting judgements

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are, but are not limited to, the following:

i. Determination of functional currency

The functional currency of the Company is the South African Rand. The functional currency determination was conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates. The determination of functional currency involves certain judgments to determine the primary economic environment and the Company reconsiders the functional currency if there are changes in events and conditions of the factors used in the determination of the primary economic environment.

ii. Going Concern

The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its operations and working capital requirements as discussed in Note 1.

4. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Plant and Equipment	Furniture, fixtures and other	Total
Costs:					
December 31, 2014	$ 40,622	$ 610,523	$ 454,743	$ 3,207	$ 1,109,135
Additions	-	-	-	-	-
December 31, 2015	40,622	610,523	454,743	3,207	1,109,135
Additions	-	-	-	-	-
December 31, 2016	**$ 40,662**	**$ 610,523**	**$ 454,743**	**$ 3,207**	**$ 1,109,135**
Accumulated Depreciation:					
December 31, 2014	$ -	$ 18,592	$ 55,392	$ 392	$ 74,376
Depreciation	-	14,419	71,201	566	86,186
December 31, 2015	-	33,011	126,593	958	160,562
Depreciation	-	14,262	59,234	470	73,966
December 31, 2016	**$ -**	**$ 47,273**	**$ 185,827**	**$ 1,428**	**$ 234,528**
Foreign Exchange Movement:					
Foreign Exchange Movement - 2016					$ 22,011
Foreign Exchange Movement - 2015					$ 99,520
Net Book Value:					
December 31, 2016					$ 852,596
December 31, 2015					$ 849,053

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2016	December 31, 2015
Trade payables	**$ 53,529**	$ 73,200
VAT	**12,606**	502
Accruals	**18,903**	20,311
	$ 85,038	$ 94,013

6. BANK INDEBTEDNESS

The Company has a bank overdraft facility in South Africa which bears interest at a rate of prime plus 0.6%. As of December 31, 2016, it was a rate of 11.6%. No further amounts may be borrowed under this facility.

7. BREAKDOWN OF EXPENSES BY NATURE

	For the Years Ended December 31,			
	2016		2015	
Operating expenses:				
Depreciation (Note 4)	**$**	**73,966**	$	86,186
Insurance		**3,725**		2,379
Miscellaneous		**9,523**		21,552
Repairs and maintenance		**-**		544
Salaries and wages		**-**		1,554
Travel		**43,350**		-
Utility costs		**48,718**		32,677
	$	**179,282**	$	144,892
General and administrative costs:				
Foreign exchange gain	**$**	**(5,300)**	$	(7,150)
Miscellaneous		**385**		2,574
Professional fees		**101,857**		138,049
Share-based compensation		**-**		142,000
Transfer agent and filing fees		**14,690**		29,875
	$	**111,632**	$	305,348

8. OTHER INCOME

Other income consists of incidental income earned through the provision of administrative and lab services to related companies (Note 10).

9. PROMISSORY NOTE

On November 7, 2016, the Company received a promissory note of $157,500 from a company controlled by the Company's CEO. This loan bears interest at rate of 6%, is due on November 7, 2018 and is unsecured.

10. SHARE CAPITAL

(a) Authorized Unlimited number of common shares without par value
Unlimited number of preferred shares without par value

(b) Share issuances

On April 17, 2014, the Company issued 4,545,455 non-voting restricted preferred shares ("Preferred Shares") in connection with the acquisition of Superior Macs. The Preferred Shares are convertible into common shares of the Company on a 1 for 1 basis (as of December 31, 2016 none have converted). The Preferred Shares, and the common shares which they are convertible into (together, the "Superior Mac Shares"), are subject to an escrow agreement. 10% were released upon completion of the Company's QT, and the remaining 90% are being released on an equal basis every 6 months thereafter. As of December 31, 2016, a total of 681,819 (December 31, 2015 – 2,045,456) of the Superior Mac Shares remain in escrow and were released on April 25, 2017.

(c) Escrow common shares

In addition to the escrow provision relating to the Superior Mac Shares, a total of 10,000,000 of the Company's common shares were held in escrow prior to completion of the QT. 10% of the escrow shares were released on a pro-rata basis to the shareholders upon final acceptance of the Company's QT by the Exchange, which occurred on April 25, 2014, and the remainder of these escrowed shares will be released in six equal tranches of 15% every six months thereafter for a period of 36 months

Balance, December 31, 2014	7,500,000
April 25, 2015 - Released	(1,500,000)
October 25, 2015 - Released	(1,500,000)
Balance, December 31, 2015	**4,500,000**
April 25, 2016	(1,500,000)
October 25, 2016	(1,500,000)
Balance, December 31, 2016	**1,500,000**

Release dates:	
April 25, 2017[1]	1,500,000
Balance in escrow December 31, 2016	**1,500,000**

[1] Subsequent to the year ended December 31, 2016, these shares were released from escrow.

All of the escrow shares were considered contingently cancellable until such time as the Company completed its QT and accordingly they were not considered to be outstanding shares for the purposes of the loss per share calculations for the periods prior to the Company's QT.

10. SHARE CAPITAL (continued)

(d) Warrants

A summary of warrant activity is as follows:

Issue Date	Number of warrants	Exercise Price	Expiry Date
Balance, December 31, 2014, 2015 and 2016	**2,856,675**	**$0.20**	**April 17, 2018**

As at December 31, 2016, warrants outstanding are as follows:

Grant Date	Number of Warrants	Exercise Price	Expiry date	Remaining contractual life (years)
April 17, 2014	2,856,675	$0.20	April 17, 2018	1.29

(e) Stock Options:

The Company has a stock option plan under which it is authorized to grant to executive officers and directors, employees and consultants stock options enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock, less an applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of 10 years and vest at the discretion of the Board of Directors.

A summary of the Company's stock option activity is as follows:

	Number of Options outstanding and exercisable	Weighted Average Exercise Price
Balance, December 31, 2014	-	-
Stock options granted	1,200,000	$0.15
Balance, December 31, 2015 and 2016	1,200,000	$0.15

At December 31, 2016, warrants outstanding are as follows:

Grant Date	Number of Options outstanding and exercisable	Exercise Price	Expiry date	Remaining contractual life (years)
January 26, 2015	1,200,000	$0.15	January 25, 2017[1]	0.07

[1] Subsequent to the year ended December 31, 2016, these stock options expired.

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions may have a material effect on the fair value of the Company's stock options.

10. SHARE CAPITAL (continued)

(e) Stock Options (continued):

During the year ended December 31, 2016, the Company recorded share-based payment compensation of $Nil (December 31, 2015 - $142,000).

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

Weighted average risk-free interest rate	1.57%
Weighted average expected life	2 years
Weighted average expected volatility	100%
Weighted average fair value of options	$0.12
Weighted average expected dividend yield	0%

11. RELATED PARTY TRANSACTIONS

Key Personnel Compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. The remuneration of directors and key management personal during the year ended December 31, 2016 and 2015 are as follows:

Type of Service	**Nature of Relationship**	**For the year ended December 31,**	
		2016	2015
Professional fees	To a company with a director and officers in common with the Company	**$ 42,000**	$ 42,000
Share-based payments	Directors/officers	**-**	142,000
Total		**$42,000**	$ 184,000

The following table represents amounts due to related parties:

Type of Service	**Nature of Relationship**	**December 31, 2016**	December 31, 2015
Professional fees	To a company with a director and officers in common with the Company	**$ 27,875**	$ -
Loans	To a company with a director in common	**$ 111,118**	$ 42,482
Loans	To the CEO of the Company	**$5,347**	$ 4,757
Total		**$ 144,340**	$ 47,239

11. RELATED PARTY TRANSACTIONS (continued)

Other income recorded on the statement of loss and comprehensive loss was earned from related party companies and by former shareholders of Superior Macs.

During the year ended December 31, 2016, the Company received loans of $57,802 (2015 - $42,000) from a company controlled by the Company's CEO (Note 9). These loans bear interest at a rate of 6%, are due on January 1, 2018 and are unsecured. As at December 31, 2016, there is $111,117 owing to this related company (2015 - $42,239) as a result of the loans and accrued interest.

As at December 31, 2016, the Company owes $27,875 (2015 - $nil) to a company controlled by a director of the Company for unpaid management fees.

During the year ended December 31, 2016, the Company received loans of $590 (2015 - $4,757) from the CEO of the Company. These loans bear interest of 6%, are due on January 1, 2018, and are unsecured. As at December 31, 2016, there is $5,347 (2015 - $4,757) owing to the CEO as a result of the loans and accrued interest.

During the year ended December 31, 2016, the Company received a promissory note of $157,500 from a company controlled by the Company's CEO (Note 9). This loan bears interest at rate of 6%, is due on November 7, 2018 and is unsecured. As at December 31, 2016, the Company has accrued $1,398 of interest expense associated with this promissory note.

12. CAPITAL MANAGEMENT

The Company defines capital as consisting of shareholder's equity (comprised of issued share capital, deficit and accumulated other comprehensive loss) and cash. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital, but rather relies on the expertise of the Company's management to sustain the future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. As at December 31, 2016, the Company does not have any long term debt outstanding and is not subject to any externally imposed capital requirements or debt covenants.

13. FINANCIAL INSTRUMENTS

(a) Fair Value

Receivable is classified as loans and receivables and is measured at amortized cost. Accounts payable and accrued liabilities, bank indebtedness, due to related party and promissory note are classified as other liabilities and are measured at amortized cost. The fair values of its receivables, accounts payable and accrued liabilities, bank indebtedness, due to related party and promissory note approximate their carrying values due to their short term maturity. The Company's other financial instrument, cash under the fair value hierarchy is based on level one quoted prices in active markets for identical assets or liabilities.

13. FINANCIAL INSTRUMENTS (continued)

(b) Financial Risks Factors

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

I. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. At December 31, 2016, the Company has a working capital deficit of $22,031 (December 31, 2015 - $183,783). This is insufficient to fund the Company's operating costs within the next year. The Company's ability to finance its future operating requirements is significantly dependent on the Company's ability to achieve profitable returns on its operating activities. Without these returns, the Company will remain dependent upon the continued financial support of its debtors and shareholders. The Company, as at December 31, 2016 is exposed to liquidity risk.

II. Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign currency risk on fluctuations related to cash, accounts payable and accrued liabilities and bank indebtedness that are denominated in US dollars and South African RAND. A 10% fluctuation in the US/dollar against the Canadian dollar exchange rate would have an insignificant impact on the Company's cash balance and foreign exchange gain or loss for the year. A 10% fluctuation in the SA RAND against the Canadian dollar would affect accumulated other comprehensive loss for the year of approximately $1,335.

III. Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company places its cash with institutions of high-credit worthiness. Management has assessed there to be a low level of credit risk associated with its cash balances.

IV. Interest rate risk

Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in interest rates. The Company's due to related party and promissory note bear risk at fixed rates. The Company's bank indebtedness bears interest at prime plus 0.6%. As at December 31, 2016, a 10% change in prime rate would have an insignificant impact to the Company's net loss and comprehensive loss.

The Company's cash earns interest at a nominal rate. Interest risk related to cash and cash equivalents is therefore insignificant.

14. SEGMENTED INFORMATION

The Company operates in one business segment, the agricultural processor and distributor of macadamia nuts in one geographic region: South Africa. The Company's assets and liabilities are as follows:

	Canada	South Africa	Total
As at December 31, 2016			
Cash	$ 56,905	$ 20,670	$ 77,575
Receivable	423	12,884	13,307
Property, Plant and Equipment	-	852,596	852,596
	$ 57,328	**$ 886,150**	**$ 943,478**

	Canada	South Africa	Total
As at December 31, 2015			
Cash	$ 618	$ 444	$ 1,062
Receivable	2,185	-	2,185
Property, Plant and Equipment	-	849,053	849,053
	$ 2,803	**$ 849,497**	**$ 852,300**

15. INCOME TAXES

(a) A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2016	2015
Loss for the year	**$** (192,154)	$ (406,474)
Expected income tax (recovery)	**$** (50,000)	$ (106,000)
Change in statutory, foreign tax, foreign exchange rates and other	(12,000)	9,000
Permanent Difference	(3,000)	53,000
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	-	(103,000)
Change in unrecognized deductible temporary differences	65,000	147,000
Total income tax expense (recovery)	**$ -**	$ -

The Canadian income tax rate declined/increased during the year due to changes in the law that reduced/increased corporate income tax rates in Canada/British Columbia.

15. INCOME TAXES (continued)

The significant components of the Company's deferred tax assets and liabilities are as follows:

	2016	2015
Deferred tax assets (liabilities)		
Property and equipment	$ (13,700)	$ (13,700)
Net deferred tax liability	**$ (13,700)**	$ (13,700)

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	2016	Expiry Date Range	2015	Expiry Date Range
Temporary Differences				
Share issue costs	34,000	2037 to 2038	$ 51,000	2036 to 2038
Property and equipment	2,000	No Expiry	2,000	No expiry
Non-capital losses available for future period	1,660,000	2031 to 2036	1,396,000	2016 to 2035

Tax attributes are subject to review, and potential adjustment, by tax authorities.

DESMOND INVESTMENTS LTD.

Consolidated Financial Statements
(Expressed in Canadian Dollars)

As at and for the year ended December 31, 2015 and 2014

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Desmond Investments Ltd.

We have audited the accompanying consolidated financial statements of Desmond Investments Ltd., which comprise the consolidated statements of financial position as at December 31, 2015 and 2014 and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Desmond Investments Ltd. as at December 31, 2015 and 2014 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Desmond Investments Ltd.'s ability to continue as a going concern.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada — Chartered Professional Accountants

April 29, 2016

Desmond Investments Ltd.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)
As at

		December 31, 2015		December 31, 2014
Assets				
Current Assets				
Cash	**$**	**1,062**	$	188,151
Receivable		**2,185**		-
		3,247		188,151
Property, plant and equipment (Note 4)		**849,053**		991,414
Total Assets	**$**	**852,300**	$	1,179,565
Liabilities and Shareholders' Equity				
Current Liabilities				
Accounts payable and accrued liabilities (Note 5)	**$**	**94,013**	$	96,016
Bank indebtedness (Note 6)		**26,108**		25,642
Due to related party (Note 10)		**47,239**		-
Taxes payable (Note 18(b))		**19,670**		88,713
		187,030		210,371
Deferred Tax (Note 17)		**13,700**		13,700
Shareholders' Equity				
Share capital (Note 9)		**1,691,086**		1,691,086
Share-based payment reserve (Note 9)		**194,500**		52,500
Accumulated other comprehensive loss		**(41,613)**		(2,163)
Deficit		**(1,192,403)**		(785,929)
		651,570		955,494
Total Liabilities and Shareholders' Equity	**$**	**852,300**	$	1,179,565

Nature and Continuance of Operations (Note 1)
Commitments and Subsequent Events (Note 17)

Approved on April 29, 2016 on behalf of the Board:

"Mark Pajak"
Mark Pajak – Director

"Craig Goldenberger"
Craig Goldenberger– Director

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

Desmond Investments Ltd.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)
As at

	For the years ended December 31,	
	2015	2014
Expenses:		
Operating expenses (Note 7)	**144,892**	116,008
General and administration costs (Note 7)	**305,348**	183,720
	(450,240)	299,728
Finance costs	**(5,239)**	(8,700)
Other costs	**(1,010)**	-
Other income (Note 8)	**50,015**	36,909
Net loss	**$ (406,474)**	$ (271,519)
Foreign exchange movements	**(39,450)**	(2,163)
Comprehensive loss	**$ (445,924)**	$ (273,682)
Weighted average number of shares outstanding	**15,356,675**	14,519,239
Basic and diluted loss per share	**$ (0.03)**	$ (0.02)

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

Desmond Investments Ltd.
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars)
As at

	Number of Common Shares (Note 9)	Number of Preferred Shares	Share Capital Amount	Share-based payment reserve	Accumulated Other Comprehensive Loss	Deficit	Total Shareholders' Equity
Balance, December 31, 2013	12,500,000	-	$ 666,414	$ 52,500	$ -	$ (514,410)	$ 204,504
Share issuance – acquisition of subsidiary (Note 11)	-	4,545,455	681,818	-	-	-	681,818
Share issuance – private placements	2,856,675	-	428,501	-	-	-	428,501
Share issuance costs	-	-	(85,647)	-	-	-	(85,647)
Net loss	-	-	-	-	-	(271,519)	(271,519)
Foreign exchange movements	-	-	-	-	(2,163)	-	(2,163)
Balance, December 31, 2014	15,356,675	4,545,455	$ 1,691,086	$ 52,500	$ (2,163)	$ (785,929)	$ 955,494
Net loss	-	-	-	-	-	(406,474)	(406,474)
Share-based compensation	-	-	-	142,000	-	-	142,000
Foreign exchange movements	-	-	-	-	(39,450)	-	(39,450)
Balance, December 31, 2015	**15,356,675**	**4,545,455**	**$ 1,691,086**	**$ 194,500**	**$ (41,613)**	**$ (1,192,403)**	**$ 651,570**

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

Desmond Investments Ltd.
Consolidated Statements of Cash Flow
(Expressed in Canadian dollars)
As at

	For the year ended December 31, 2015	2014
Cash provided by / (used for):		
Operating Activities:		
Net loss for the year	**$ (406,474)**	$ (271,519)
Items not affecting cash:		
Depreciation and amortization	**86,186**	74,376
Finance costs accrued	**5,239**	(615)
Foreign exchange	**-**	(1,030)
Share-based compensation	**142,000**	-
Net change in non-cash working capital items:		
Receivables	**(2,185)**	-
Accounts payable and accrued liabilities	**3,421**	(208,560)
Current tax payable	**(68,893)**	(24,936)
Net cash used in operating activities	**(240,706)**	(432,284)
Financing Activities:		
Proceeds from related party	**42,000**	-
Repayment of bank indebtedness	**323**	(17,100)
Proceeds from share issuance	**-**	428,501
Share issuance costs	**-**	(70,647)
	42,323	340,754
Effect of foreign exchange on cash	**11,294**	29,349
Decrease in cash for the year	**(187,089)**	(62,181)
Cash, beginning of the year	**188,151**	250,332
Cash, end of the year	**$ 1,062**	$ 188,151
Supplementary Information:		
Cash paid during the year for interest expense	**$ -**	$ -
Cash paid during the year for income taxes	**$ -**	$ -

Significant Non-Cash Activity – (Note 12)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Desmond Investments Ltd. (the "Company") was incorporated pursuant to the provisions of the British Columbia Business Corporations Act on March 25, 2011 and is listed for trading on the TSX Venture Exchange ("Exchange") under the symbol DLC. On April 17, 2014, the Company completed a Qualifying Transaction ("QT") with the acquisition of EmVest Nuts (Pty) Ltd. ("EmVest"). Following this acquisition, the Company changed the name of its wholly owned South-African subsidiary from EmVest Nuts (pty) Ltd to Superior Macadamias (Pty) Ltd ("Superior Macs"). Superior Macs has the facilities and knowledge to process and sell macadamia nuts and is currently exploring related business opportunities.

The Company's head office address is 1600 - 609 Granville Street, Vancouver, British Columbia, Canada V7Y 1C3, and its registered and records office address is 2200 – 885 West Georgia Street, Vancouver, British Columbia V6C 3E8.

As at December 31, 2015, the Company has a cash balance of $1,062 and a working capital deficiency of $183,783. Management believes that the Company likely has insufficient funds from which to fund on-going operating requirements for the near term. The Company's continued operations are significantly dependent upon its ability to achieve profitable operations. If the Company fails to achieve profitable operations, the Company may be required to obtain further financing to meet obligations as they become due. The Company has a history of losses and has accumulated a deficit of $1,192,403 as at December 31, 2015. These factors cast significant doubt about the Company's ability to continue as a going concern.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than a process of forced liquidation. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance with IFRS

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS interpretations Committee ("IFRIC") effective for the year presented.

The Company's consolidated financial statements were authorized for issue by the Board of Directors on April 29, 2016.

(b) Basis of presentation

The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, the financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The financial statements of the Company are presented in Canadian dollars. The functional currency of the Company and 0978612 BC Ltd. is the Canadian Dollar. The functional currency of Superior Macs is the South African Rand.

(c) Consolidation

The consolidated financial statements include the accounts of the Company and the following wholly owned subsidiaries:

Name of Subsidiary	Ownership	Activity
0978612 BC Ltd	Since incorporation on August 23, 2013 pursuant to the Business Corporations Act (British Columbia)	Inactive company
Superior Macadamias (Pty) Ltd (Formerly EmVest Nuts (Pty) Ltd.)	Acquired by the Company on April 17, 2014 (Note 15), originally incorporated pursuant to the Companies Act 2008 (South Africa) on January 25, 2010.	Superior Macs is an agricultural processor and distributor of macadamia nuts.

The accounts of Superior Macs have been included in these consolidated financial statements from the acquisition date. All Intercompany balances and transactions have been eliminated on consolidation.

2. SIGNIFICANT ACCOUNT POLICIES (continued)

(d) Capital stock

Common and preferred shares are classified as share capital. Incremental costs directly attributable to the issuance of common and preferred shares are recognized as a deduction from equity, net of any tax effects.

(e) Loss per share

The Company presents basic and diluted earnings (loss) per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Dilutive loss per share is calculated by dividing the earnings (loss) by the weighted average number of common shares outstanding assuming that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. In the Company's case, diluted loss per share is the same as basic loss per share, as the effect of outstanding share options and warrants on loss per share would be anti-dilutive.

Contingently issuable shares are not considered outstanding common shares and consequently are not included in loss per share calculation.

(f) Share-based payments

The stock option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Consideration paid on the exercise of stock options is credited to capital stock and the fair value of the options is reclassified from share-based payment reserves to share capital.

In situations where equity instruments are issued to non-employees and some or all of the services received by the entity as consideration cannot be specifically identified, they are all measured at the fair value of the share-based payment, otherwise, share-based payment is measured at the fair value of the services received. The fair value is measured at grant date and each tranche is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the number of stock options that are expected to vest.

2. SIGNIFICANT ACCOUNT POLICIES (continued)

(g) Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for a year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purpose. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable operations, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(h) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provision are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability, The unwinding of the discount is recognized as finance costs. The Company does not have any provisions for the years presented.

2. SIGNIFICANT ACCOUNT POLICIES (continued)

(i) Financial Instrument measurement and valuation

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 Unadjusted quoted prices in active markets for identical assets liabilities;
Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 Inputs that are not based on observable market data.

The measurement of the Company's financial instruments is disclosed in Note 14 to these financial statements. Any financial instrument that is valued using level 2 or level 3 inputs will involve estimation uncertainty.

(j) Financial assets

The Company classifies its financial assets into one of the following categories and the accounting policy for each category is as follows"

i. Fair value through profit or loss ("FVTPL")

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorized as FVTPL unless they are designed as effective hedges. Assets in this category include cash.

Financial assets at FVTPL are initially recognized, and subsequently carried, at fair value with changes recognized in profit or loss. Attributed transaction costs are recognized in profit or loss when incurred.

ii. Available-for-sale ("AFS")

Financial assets available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income or loss ("OCI") except for losses in value that are considered other than temporary or there has been a significant or prolonged decline in the fair value of that investment below its cost. The Company does not have any AFS assets.

Financial assets AFS are initially recognized, and subsequently carried at fair value with changes recognized in OCI. Attributable acquisition transaction costs, if any, are recognized in the initial fair value.

2. SIGNIFICANT ACCOUNT POLICIES (continued)

(j) Financial assets (continued)

iii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months or those that are expected to be settled after 12 months from the end of the reporting period, which are classified as non-current assets. Assets in this category include loans receivable.

Loans and receivables are initially recognized at fair value plus any directly attributable transaction costs and subsequently carried at amortized cost using the effective interest method. The effective interest method is used to determine the amortized cost of loans and receivables and to allocate interest income over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial asset, or, where appropriate, a shorter period.

iv. Held to maturity

These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are initially recorded at fair value and subsequently measured at amortized cost basis using the effective interest method, less any impairment losses. These assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. The Company does not have any assets classified as held to maturity.

v. Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- Significant financial difficulty of the issuer or counterparty;
- Default or delinquency in interest or principal payments; or
- It has become probable that the borrower will enter bankruptcy or financial reorganization

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount, and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

2. SIGNIFICANT ACCOUNT POLICIES (continued)

(j) Financial assets (continued)

v. Impairment of financial assets (continued)

For financial assets measured at amortized costs, if, in a subsequent period, the amount of the impairment loss decrease and the decrease can be related objectively to an event occurring after the impairment losses were recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the assets at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

vi. De-recognition of financial assets

Financial assets are derecognized when the rights to receive cash flows from the assets expire or the financial assets are transferred and the Company has transferred substantially all of the risks and rewards of ownership of the financial assets. On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

(k) Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group entities are recorded at the proceeds received, net of direct issue costs.

The Company classifies its financial liabilities into one of two categories and the accounting policy for each category is as follows:

i. Fair value through profit or loss

This category of financial liability includes liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are initially recorded at fair value with subsequent changes in fair value recognized in profit and loss. The Company does not have any financial liabilities classified as fair value through profit and loss.

ii. Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis. This category includes amounts due to related parties and accounts payables and accrued liabilities.

2. SIGNIFICANT ACCOUNT POLICIES (continued)

(l) Property, Plant and Equipment

Property, plant and equipment are carried at acquisition cost less accumulated depreciation and impairment losses. Depreciation is determined at rates which will reduce the original cost to estimated residual values over the expected useful life of each asset. Depreciation is recognized using a straight line basis using the following estimated useful lives:

	Estimated Useful Life
Land	Indefinite
Buildings	20 years
Plant and machinery	5 years
Furniture, fixtures and other	5 years

Property, plant and equipment that are withdrawn from use, or have no reasonable prospect of being recovered through use or sale, are regularly identified and written off. Residual values and useful economic lives are reviewed at least annually, and adjusted if appropriate, at each reporting date.

Subsequent expenditure relating to an item of property, plant and equipment is capitalized when it is probable that future economic benefits from the use of the assets will be increased. All other subsequent expenditures are recognized as repairs and maintenance.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is de-recognized. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

(m) Impairment of non-financial assets

The carrying amount of the Company's non-financial assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of loss and comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs. An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change

2. SIGNIFICANT ACCOUNT POLICIES (continued)

(m) Impairment of non-financial assets (continued)

in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years. Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

(n) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of the borrowing cost eligible for capitalization is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining qualifying assets less any temporary investment income from those borrowings
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalized do not exceed the total borrowing costs incurred.

The capitalization of borrowing costs commences when:

- Expenditures for the asset have occurred;
- Borrowing costs have been incurred; and
- Activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalization is suspended during extended periods in which active development is interrupted.

Capitalization of borrowing costs ceases when substantially all of the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognized as an expense in the period in which they are incurred.

2. SIGNIFICANT ACCOUNT POLICIES (continued)

(o) Recent Accounting Pronouncements

A number of new IFRS standards, amendments to standards and interpretations are not yet effective for the year ended December 31, 2015, and have not been applied in preparing these financial statements. None of these is expected to have an effect on the Company's financial statements.

Effective for annual periods beginning on or after January 1, 2016

i. IFRS 11 Accounting for Acquisitions of Interest in Joint Operations
Amended to provide specific guidance on accounting for the acquisition of an interest in a joint operation that is a business.

ii. IAS 16 & IAS 38 Clarification of Acceptable Methods of Depreciation and Amortization
Amended to (i) clarify that the use of a revenue-based depreciation and amortization method is not appropriate, and (ii) provide a rebuttable presumption for intangible assets.

iii. IAS 27 & IFRS 1 Equity Method in Separate Financial Statements
IAS 27 is amended to restore the option to use the equity method to account for investment in subsidiaries, joint ventures and associates in an entity's separate financial statements.

IFRS 1 is amended to permit use of the business combinations exemption for investments in subsidiaries accounted for using the equity method in the separate financial statements of the first-time adopter.

Effective for annual periods beginning on or after January 1, 2018

i. IFRS 9 Financial Instruments – Classification and Measurement
IFRS 9 is a new standard on financial instruments that will replace IAS 39, Financial Instruments: Recognition and Measurement.

IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as derecognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss.

2. SIGNIFICANT ACCOUNT POLICIES (continued)

(o) Recent Accounting Pronouncements (continued)

ii. IFRS 15 Revenue from Contracts with Customers

IFRS 15 is a new standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model in order to depict the transfer of promised goods or services to customers. IFRS 15 supersedes IAS 11, Construction Contracts, IAS 18, Revenue, IFRIC 13, Customer Loyalty Programs, IFRIC 15, Agreements for the Construction of Real Estate, IFRIC 18, Transfers of Assets from Customers, and SIC-31, Revenue – Barter Transactions involving Advertising Services.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements in conformity with International Financial Reporting Standards ("IFRS") requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(a) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year which include:

i. Fair value of the consideration given to acquire Superior Macs

During the year ended December 31, 2014, the Company issued 4,545,455 non-voting restricted preferred shares to acquire Superior Macs (Note 11). As this transaction was a non-monetary transaction, management relied on the concurrent convertible debenture financing price of $0.15 per share as a basis to estimate the fair value of these shares exchanged for the acquisition of Superior Macs.

ii. Deferred income tax

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful operations of the Company. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(a) Critical accounting estimates (continued)

iii. Useful life equipment

Each significant component of an item of equipment is depreciated over its estimated useful life. Estimated useful lives are determined based on current facts and past management experience, and take into consideration the anticipated physical life of the asset, existing long-term sales agreements and contracts, current and forecasted demand, and the potential for technological obsolescence.

iv. Impairment of long lived assets

The carrying value of long lived assets is reviewed each reporting period to determine whether there is any indication of impairment. If the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and an impairment loss is recognized in the consolidated statement of loss. The assessment of fair values, including those of the cash generating units (the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflow from other assets or groups of assets – "CGUs") for purposes of impairment testing, require the use of estimates and assumptions for discount rates, foreign exchange rates, future capital requirements and operating performance. Changes in any of the assumption or estimates used in determining the fair value of long lived assets could impact the impairment analysis.

(b) Critical accounting judgements

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are, but are not limited to, the following:

i. Determination of functional currency

The functional currency of the Company is the South African Rand. The functional currency determination was conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates. The determination of functional currency involves certain judgments to determine the primary economic environment and the Company reconsiders the functional currency if there are changes in events and conditions of the factors used in the determination of the primary economic environment.

ii. Going Concern

The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its operations and working capital requirements as discussed in Note 1.

4. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Plant and Equipment	Furniture, fixtures and other	Total
Costs:					
December 31, 2013	$ -	$ -	$ -	$ -	$ -
Additions	40,622	610,523	454,743	3,207	1,109,135
December 31, 2014	40,622	610,523	454,743	3,207	1,109,135
Additions	-	-	-	-	-
December 31, 2015	**$ 40,622**	**$ 610,523**	**$ 454,743**	**$ 3,207**	**$ 1,109,135**
Accumulated Depreciation:					
December 31, 2013	$ -	$ -	$ -	$ -	$ -
Depreciation	-	18,592	55,392	392	74,376
December 31, 2014	-	18,592	55,392	392	74,376
Depreciation	-	14,419	71,200	566	86,186
December 31, 2015	**$ -**	**$ 33,011**	**$ 126,592**	**$ 958**	**$ 160,562**
Foreign Exchange Movement:					
December 31, 2013	$ -	$ -	$ -	$ -	$ -
Foreign Exchange	1,599	15,693	24,668	1,385	43,345
December 31, 2014	1,599	15,693	24,668	1,385	43,345
Foreign Exchange	2,687	45,100	9,539	(1,151)	56,175
December 31, 2015	**$ 4,286**	**$ 60,793**	**$ 34,207**	**$ 234**	**$ 99,520**
Net Book Value:					
December 31, 2014	$ 39,063	$ 576,238	$ 374,683	$ 1,430	$ 991,414
December 31, 2015	**$ 36,376**	**$ 516,719**	**$ 293,944**	**$ 2,015**	**$ 849,053**

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2015	December 31, 2014
Trade payables	**$ 73,200**	$ 67,918
VAT	**502**	10,098
Accruals	**20,311**	18,000
	$ 94,013	$ 96,016

6. BANK INDEBTEDNESS

The Company has a bank overdraft facility in South Africa which bears interest at a rate of prime plus 0.6%. As of December 31, 2015, it was a total of 11.6%. No further amounts may be borrowed under this facility.

7. BREAKDOWN OF EXPENSES BY NATURE

	For the Years Ended December 31,	
	2015	2014
Operating expenses:		
Depreciation (Note 4)	**$ 86,186**	$ 74,736
Insurance	**2,379**	2,627
Miscellaneous	**21,552**	5,521
Repairs and maintenance	**544**	1,086
Salaries and wages	**1,554**	19,870
Utility costs	**32,677**	12,528
	$ 144,892	$ 116,368
General and administrative costs:		
Foreign exchange gain	**$ (7,150)**	$ (7,536)
Miscellaneous	**2,574**	36,329
Professional fees	**138,049**	110,270
Share-based compensation	**142,000**	-
Transfer agent and filing fees	**29,875**	44,657
	$ 305,348	$ 183,720

8. OTHER INCOME

Other income consists of incidental income earned through the provision of administrative and lab services and rental fees to related companies (Note 10).

9. SHARE CAPITAL

(a) Authorized Unlimited number of common shares without par value
Unlimited number of preferred shares without par value

(b) Share issuances

On April 17, 2014, the Company issued 4,545,455 non-voting restricted preferred shares ("Preferred Shares") in connection with the acquisition of Superior Macs (Note 11). The Preferred Shares are convertible into common shares of the Company on a 1 for 1 basis. The Preferred Shares, and the common shares which they are convertible into (together, the "Superior Mac Shares"), are subject to an escrow agreement. 10% were released upon completion of the Company's QT, and the remaining 90% are being released on an equal basis every 6 months thereafter. As of December 31, 2015, a total of 2,045,456 (December 31, 2014 – 4,545,455) of the Superior Mac Shares remain in escrow and will be released on the basis of 681,818 shares on April 25, 2016 (released subsequent to the year ended December 31, 2015), October 25, 2016 and April 25, 2017. 50% of these non-voting preferred shares can be converted into common shares of the Company on April 17, 2015 (not yet converted) and 2016.

9. SHARE CAPITAL (continued)

(c) Escrow common shares

In addition to the escrow provision relating to the Superior Mac Shares, a total of 10,000,000 of the Company's common shares were held in escrow prior to completion of the QT. 10% of the escrow shares were released on a pro-rata basis to the shareholders upon final acceptance of the Company's QT by the Exchange, which occurred on April 25, 2014, and the remainder of these escrowed shares will be released in six equal tranches of 15% evert six months thereafter for a period of 36 months

December 31, 2014		7,500,000
April 25, 2015 - Released	10%	(1,500,000)
October 25, 2015 – Released	15%	(1,500,000)
Balance, December 31, 2015	**25%**	**4,500,000**

Release dates:		
April 25, 2016[1]	15%	1,500,000
October 25, 2016	15%	1,500,000
April 25, 2017	15%	1,500,000
Balance in escrow December 31, 2015	**75%**	**4,500,000**

[1] Subsequent to the year ended December 31, 2015, these shares were released from escrow.

All of the escrow shares were considered contingently cancellable until such time as the Company completed its QT and accordingly they were not considered to be outstanding shares for the purposes of the loss per share calculations for the periods prior to the Company's QT.

(d) Warrants

A summary of warrant activity for the years ended December 31, 2014 and 2015:

Issue Date	Number of warrants	Exercise Price	Expiry Date
Balance, December 31, 2013	-	-	-
Granted	2,856,675	$0.20	April 17, 2016
Balance, December 31, 2014 and 2015	**2,856,675**	**$0.20**	**April 17, 2016**

At December 31, 2015, warrants outstanding are as follows:

Grant Date	Number of Warrants	Exercise Price	Expiry date	Remaining contractual life (years)
April 17, 2014	2,856,675	$0.20	April 17, 2016[1]	0.30

[1] Subsequent to the year ended December 31, 2015, the expiry date was extended to April 17, 2018.

9. SHARE CAPITAL (continued)

(e) Stock Options:

The Company has a stock option plan under which it is authorized to grant to executive officers and directors, employees and consultants stock options enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock, less an applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of 10 years and vest at the discretion of the Board of Directors.

On January 26, 2015, the Company granted an aggregate of 1,200,000 incentive stock options exercisable at $0.15 each to directors and officers of the Company. All options granted are exercisable for a period of two years, and are fully vested.

A summary of the Company's stock option activity is as follows:

	Number of Options outstanding and exercisable	Exercise Price
Balance, December 31, 2013	1,200,000	$0.15
Expired/unexercised	(1,200,000)	$0.15
Balance, December 31, 2014	-	-
Stock options granted	1,200,000	$0.15
Balance, December 31, 2015	1,200,000	$0.15

At December 31, 2015, warrants outstanding are as follows:

Grant Date	Number of Options outstanding and exercisable	Exercise Price	Expiry date	Remaining contractual life (years)
January 26, 2015	1,200,000	$0.15	January 25, 2017	1.07

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions may have a material effect on the fair value of the Company's stock options.

During the year ended December 31, 2015, the Company recorded share-based payment compensation of $142,000 (December 31, 2014 - $Nil).

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

Weighted average risk-free interest rate	1.57%
Weighted average expected life	2 years
Weighted average expected volatility	100%
Weighted average fair value of options	$0.12
Weighted average expected dividend yield	0%

10. RELATED PARTY TRANSACTION

Key Personnel Compensation

Key management personnel include those person having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. The remuneration of directors and key management personal during the year ended December 31, 2015 and 2014 are as follows:

Type of Service	Nature of Relationship	For the year ended December 31,	
		2015	2014
Management fees	To a company with a director and officers in common with the Company	**$ 42,000**	$ 41,475
Share-based payments	Directors/officers	**142,000**	-
Total		**$184,000**	$ 41,475

Other income recorded on the statement of loss and comprehensive loss was earned as disclosed in Note 8 from AP Vos & Sons (Pty) Limited, a company with significant influence over the Company (Note 17).

During the year ended December 31, 2015, the Company received a loan payable of $42,000 from a company controlled by the Company's CEO. This loan bears interest at rate of 6%, is due on demand and is unsecured. As at December 31, 2015, the Company has accrued $482 of interest expense associated with this related party loan (December 31, 2014 - $Nil).

11. ACQUISITION OF SUBSIDIARY

On April 17, 2014, the Company completed the acquisition of 100% of Superior Macs through its wholly owned subsidiary, 0978612 BC. Following this acquisition, the Company changed the name of its wholly owned South-African subsidiary from EmVest Nuts (Pty) Ltd to Superior Macadamias (Pty) Ltd. Superior Macs is a private company incorporated pursuant to the laws of South Africa, and is an operating company that processes and sells macadamia nuts.

As consideration for the acquisition, the Company issued 4,545,455 non-voting restricted preferred shares to the former shareholders of Superior Macs, having an estimated fair value of $681,818, based on the recently completed financing price of $0.15 per share. 50% of these non-voting preferred shares can be converted into common shares of the Company on April 17, 2015 and 2016. After the acquisition, the shareholders of the Company remained in control of the combined company and for accounting purposes the Company has been deemed the acquirer. This acquisition meets the definition of a business combination under IFRS 3; accordingly, the assets and liabilities of Superior Macs have been included in the consolidated statement of financial position at fair value.

Consideration:		
Issuance of 4,545,455 shares of the Company	$	681,818
Loan receivable (Note 10)		30,056
	$	711,874
Allocation of consideration:		
Property, Plant and Equipment	$	1,109,135
Bank indebtedness		(44,158)
Provisions, trade and other payables		(221,044)
Current tax payable		(117,759)
Deferred taxes		(14,300)
	$	711,874

12. SIGNIFICANT NON-CASH ACTIVITIES

There were no significant non-cash activities incurred during the year ended December 31, 2015.

The following is summary of non-cash activities incurred during the year ended December 31, 2014:

a) Recognition of $681,818 of share capital as a result of the acquisition of Superior Macs, representing the fair value of the consideration of 4,545,455 non-voting restricted preferred shares, together with net assets acquired, as detailed in Note 11 for $681,818;
b) Prepaid expenses in the amount of $15,000 were included in share issuance cost; and
c) Loan receivable, having a balance of $29,027 as at April 17, 2014, has been eliminated on consolidation of Superior Macs.

13. CAPITAL MANAGEMENT

The Company defines capital as consisting of shareholder's equity (comprised of issued share capital, deficit and accumulated other comprehensive loss) and cash. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital, but rather relies on the expertise of the Company's management to sustain the future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. As at December 31, 2015, the Company does not have any long term debt outstanding and is not subject to any externally imposed capital requirements or debt covenants.

14. FINANCIAL INSTRUMENTS

(a) Fair Value

Receivable is classified as loans and receivables and is measured at amortized cost. Accounts payable and accrued liabilities, bank indebtedness, and due to related party are classified as other liabilities and are measured at amortized cost. The Fair values of its receivables, accounts payable and accrued liabilities, bank indebtedness, and due to related party approximate their carrying values due to their short term maturity. The Company's other financial instrument, cash under the fair value hierarchy is based on level one quoted prices in active markets for identical assets or liabilities.

15. FINANCIAL INSTRUMENTS (continued)

(b) Financial Risks Factors

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

I. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. At December 31, 2015, the Company has a working capital deficit of $183,783 (December 31, 2014 - $22,220). This is insufficient to fund the Company's operating costs within the next year. The Company's ability to finance its future operating requirements is significantly dependent on the Company's ability to achieve profitable returns on its operating activities. Without these returns, the Company will remain dependent upon the continued financial support of its debtors and shareholders. The Company, as at December 31, 2015 is exposed to liquidity risk.

II. Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign currency risk on fluctuations related to cash, accounts payable and accrued liabilities and bank indebtedness that are denominated in US dollars and South African RAND. A 10% fluctuation in the US/dollar against the Canadian dollar exchange rate would have an insignificant impact on the Company's cash balance and foreign exchange gain or loss for the year. A 10% fluctuation in the SA RAND against the Canadian dollar would affect accumulated other comprehensive loss for the year of approximately $66,000.

III. Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company places its cash with institutions of high-credit worthiness. Management has assessed there to be a low level of credit risk associated with its cash balances.

IV. Interest rate risk

Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in interest rates. The Company's bank indebtedness bears interest at prime plus 0.6%. As at December 31, 2015, a 10% change in prime rate would have an insignificant impact to the Company's net loss and comprehensive loss.

The Company's cash earns interest at a nominal rate. Interest risk related to cash and cash equivalents is therefore insignificant.

Should the business combination noted in Note 17 complete, the Company will have different exposure to financial risk factors as it plans to fund the cash position of the acquisition through debt.

16. SEGMENTED INFORMATION

The Company operates in one business segment, the agricultural processor and distributor of macadamia nuts in one geographic region: South Africa. The Company's assets and liabilities are as follows:

	Canada	South Africa	Total
As at December 31, 2015			
Cash	$ 618	$ 444	$ 1,062
Receivable	2,185	-	2,185
Property, Plant and Equipment	-	849,053	849,053
	$ 2,803	**$ 849,497**	**$ 852,300**

	Canada	South Africa	Total
As at December 31, 2014			
Cash	$ 187,193	$ 958	$ 188,151
Property, Plant and Equipment	$ -	$ 991,414	$ 991,414
	$ 187,193	**$ 992,372**	**$ 1,179,565**

17. COMMITMENTS AND SUBSEQUENT EVENTS

In addition to the macadamia processing activities, the Company engaged in the following strategic growth opportunities. On December 22, 2014, the Company entered into a definitive share purchase agreement ("the "Vos Agreement") to acquire all the shares of AP Vos & Sons (Pty) Limited and its related companies ("Vos"). The Vos Agreement contemplates a purchase price of US$32,500,000 in cash in exchange for all the issued and outstanding share capital of Vos. Vos and its related companies are private, family owned and operated, farming operations of mixed fruit and macadamia nut orchards in South Africa. A concurrent financing will be conducted in connection with the Transaction in order to satisfy the purchase price requirements, the terms of which remain to be agreed. Finder's fees may be payable in connection with the financing, subject to compliance with the Exchange's policies and subject to Exchange approval.

In conjunction with the Vos Agreement, on March 2, 2015, the Company entered into definitive share purchase agreement (the "Qeton Agreement") to acquire all of the shares of Qeton Ltd., a private Irish Company, in exchange for the issuance of 170,8333,333 shares of Desmond. This transaction ("Transaction") is at arm's length and is expected to constitute a reverse takeover under the policies of the Exchange. The completion of the Transaction is subject to a number of conditions, including but not limited to receipt of all required shareholder, regulatory and third party consents, including Exchange acceptance, and satisfaction of other customary closing conditions. As such, there can be no assurance that the Transaction will be completed as proposed or at all.

The Company intends to proceed with both transactions.

18. INCOME TAXES

(a) A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2015	2014
Loss for the year	**$** (406,474)	$ (274,172)
Expected income tax (recovery)	**$** (106,000)	$ (71,000)
Change in statutory, foreign tax, foreign exchange rates and other	9,000	(4,000)
Permanent Difference	53,000	11,000
Share issue costs		(22,000)
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	(103,000)	-
Impact of acquisition		14,000
Change in unrecognized deductible temporary differences	147,000	72,000
Total income tax expense (recovery)	**$ -**	$ **-**

The Canadian income tax rate declined/increased during the year due to changes in the law that reduced/increased corporate income tax rates in Canada/British Columbia.

The significant components of the Company's deferred tax assets and liabilities are as follows:

	2015	2014
Deferred tax assets (liabilities)		
Property and equipment	$ (13,700)	$ (13,700)
Net deferred tax liability	**$ (13,700)**	$ (13,700)

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	2015	Expiry Date Range	2014	Expiry Date Range
Temporary Differences				
Share issue costs	$ 51,000	2036 to 2038	$ 83,000	2035 to 2038
Property and equipment	2,000	No expiry	127,200	No expiry
Non-capital losses available for future period	1,396,000	2031 to 2035	762,000	2031 to 2034

Tax attributes are subject to review, and potential adjustment, by tax authorities.

(b) The Company owes taxes in South Africa due on June 1, 2016 and June 30, 2016. Should the Company not make payment in the coming twelve months, there is further risk of penalties and interest.

DESMOND INVESTMENTS LTD.

Consolidated Financial Statements
(Expressed in Canadian Dollars)

As at and for the year ended December 31, 2014 and 2013

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Desmond Investments Ltd.

We have audited the accompanying consolidated financial statements of Desmond Investments Ltd., which comprise the consolidated statements of financial position as at December 31, 2014 and 2013 and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Desmond Investments Ltd. as at December 31, 2014 and 2013 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Desmond Investments Ltd.'s ability to continue as a going concern.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada Chartered Accountants

April 30, 2015

Desmond Investments Ltd.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)
As at

		December 31, 2014		December 31, 2013
Assets				
Current Assets				
Cash	**$**	**188,151**	$	250,332
Loan receivable (Note 7)		**-**		28,411
Prepaid expenses		**-**		15,000
		188,151		293,743
Property, plant and equipment (Note 4)		**991,414**		-
Total Assets	**$**	**1,179,565**	$	293,743
Liabilities and Shareholders' Equity				
Current Liabilities				
Accounts payable and accrued liabilities (Note 5)	**$**	**96,016**	$	89,239
Bank indebtedness (Note 6)		**25,642**		-
Taxes payable (Note 18(b))		**88,713**		-
		210,371		89,239
Deferred Tax (Note 18)		**13,700**		-
Shareholders' Equity				
Share capital (Note 10)		**1,691,086**		666,414
Share-based payment reserve (Note 10)		**52,500**		52,500
Accumulated other comprehensive loss		**(2,163)**		-
Deficit		**(785,929)**		(514,410)
		955,494		204,504
Total Liabilities and Shareholders' Equity	**$**	**1,179,565**	$	293,743

Nature and Continuance of Operations (Note 1)
Commitments and Subsequent Events (Note 17)

Approved on April 30, 2015 on behalf of the Board:

"Mark Pajak"
Mark Pajak – Director

"Craig Goldenberger"
Craig Goldenberger– Director

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

Desmond Investments Ltd.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)
As at

	For the years ended December 31,	
	2014	2013
Expenses:		
Operating expenses (Note 8)	**116,008**	-
General and administration costs (Note 8)	**183,720**	163,423
	299,728	163,423
Other items:		
Finance costs	**(8,700)**	-
Other income (Note 9)	**36,909**	1,712
Net loss	**$ (271,519)**	$ (161,711)
Foreign exchange movements	**(2,163)**	-
Comprehensive loss	**$ (273,682)**	$ (161,711)
Weighted average number of shares outstanding	**14,519,239**	2,500,000
Basic and diluted loss per share	**$ (0.02)**	$ (0.06)

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

Desmond Investments Ltd.
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars)
As at

	Number of Common Shares (Note 9)	Number of Preferred Shares	Share Capital Amount	Share-based payment reserve	Accumulated Other Comprehensive Loss	Deficit	Total Shareholders' Equity
Balance, December 31, 2012	12,500,000	-	$ 666,414	$ 52,500	$ -	$ (352,699)	$ 366,215
Net loss	-	-	-	-	-	(161,711)	(161,711)
Balance, December 31, 2013	12,500,000	-	666,414	52,500	-	(514,410)	204,504
Share issuance – acquisition of subsidiary (Note 11)	-	4,545,455	681,818	-	-	-	681,818
Share issuance – private placements	2,856,675	-	428,501	-	-	-	428,501
Share issuance costs	-	-	(85,647)	-	-	-	(85,647)
Net loss	-	-	-	-	-	(271,519)	(271,519)
Foreign exchange movements	-	-	-	-	(2,163)	-	(2,163)
Balance, December 31, 2014	**15,356,675**	**4,545,455**	**$ 1,691,086**	**$ 52,500**	**$ (2,163)**	**$ (785,929)**	**$ 955,494**

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

Desmond Investments Ltd.
Consolidated Statements of Cash Flow
(Expressed in Canadian dollars)
As at

	For the year ended December 31, 2014	2013
Cash provided by / (used for):		
Operating Activities:		
Net loss for the year	**$ (271,519)**	$ (161,711)
Items not affecting cash:		
Depreciation and amortization	**74,376**	-
Loan interest income accrued	**(615)**	(1,712)
Foreign exchange	**(1,030)**	(1,041)
Net change in non-cash working capital items:		
Prepaid expenses	**-**	(12,974)
Accounts payable and accrued liabilities	**(208,560)**	74,935
Current tax payable	**(24,936)**	-
Net cash used in operating activities	**(432,284)**	(102,503)
Investment Activities:		
Advance of loan receivable	**-**	(25,658)
Financing Activities:		
Repayment of bank indebtedness	**(17,100)**	-
Proceeds from share issuance	**428,501**	-
Share issuance costs	**(70,647)**	-
	340,754	-
Effect of foreign exchange on cash	**29,349**	-
Decrease in cash for the year	**(62,181)**	(128,161)
Cash, beginning of the year	**250,332**	378,493
Cash, end of the year	**$ 188,151**	$ 250,332
Supplementary Information:		
Cash paid during the year for interest expense	**$ -**	$ -
Cash paid during the year for income taxes	**$ -**	$ -

Significant Non-Cash Activity – (Note 12)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Desmond Investments Ltd. (the "Company") was incorporated pursuant to the provisions of the British Columbia Business Corporations Act on March 25, 2011. The Company completed its Initial Public Offering ("IPO") on December 14, 2011, and was classified as a Capital Pool Company as defined in the TSX Venture Exchange ("TSX-V" or "Exchange") Policy 2.4. On December 15, 2011 the common shares commenced trading on the TSX-V under the symbol DLC.P. On April 17, 2014, the Company completed its Qualifying Transaction ("QT") with the acquisition of EmVest Nuts (Pty) Ltd. ("EmVest"), prior to which, the Company did not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a QT (Note 11). Following this acquisition, the Company changed the name of its wholly owned South-African subsidiary from EmVest Nuts (Pty) Ltd to Superior Macadamias (Pty) Ltd ("Superior Macs"). Superior Macs processes and sells macadamia nuts.

The Company's head office and registered and records office address is 1600 – 609 Granville Street, Vancouver, British Columbia, Canada V7Y 1C3.

As at December 31, 2014, the Company has a cash balance of $188,151 and a working capital deficiency of $22,220. Management believes that the Company likely has insufficient funds from which to fund on-going operating requirements for the near term. The Company's continued operations are significantly dependent upon its ability to achieve profitable operations. If the Company fails to achieve profitable operations, the Company may be required to obtain further financing to meet obligations as they become due. The Company has a history of losses and has accumulated a deficit of $786,289 as at December 31, 2014. These factors cast doubt about the Company's ability to continue as a going concern.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than a process of forced liquidation. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

Subsequent to year end, the Company entered into a material share purchase agreement of a business in South Africa (Note 17).

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance with IFRS

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB") and interpretations of the IFRS interpretations Committee ("IFRIC") effective for the year presented.

The Company's consolidated financial statements were authorized for issue by the Board of Directors on April 30, 2015.

(b) Basis of presentation

The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, the financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The financial statements of the Company are presented in Canadian dollars. The functional currency if the Company and 0978612 BC Ltd. is the Canadian Dollar. The functional currency of Superior Macs is the South African Rand.

(c) Consolidation

The consolidated financial statements include the accounts of the Company and the following wholly owned subsidiaries:

Name of Subsidiary	Ownership	Activity
0978612 BC Ltd	Since incorporation on August 23, 2013 pursuant to the Business Corporations Act (British Columbia)	Inactive company
Superior Macadamias (Pty) Ltd (Formerly EmVest Nuts (Pty) Ltd.)	Acquired by the Company on April 17, 2014 (Note 15), originally incorporated pursuant to the Companies Act 2008 (South Africa) on January 25, 2010.	Superior Macs is an agricultural processor and distributor of macadamia nuts.

The accounts of Superior Macs have been included in these consolidated financial statements from the acquisition date. All Intercompany balances and transactions have been eliminated on consolidation.

2. SIGNIFICANT ACCOUNT POLICIES (continued)

(d) Capital stock

Common and preferred shares are classified as share capital. Incremental costs directly attributable to the issuance of common and preferred shares are recognized as a deduction from equity, net of any tax effects.

(e) Loss per share

The Company presents basic and diluted earnings (loss) per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Dilutive loss per share is calculated by dividing the earnings (loss) by the weighted average number of common shares outstanding assuming that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. In the Company's case, diluted loss per share is the same as basic loss per share, as the effect of outstanding share options and warrants on loss per share would be anti-dilutive.

Contingently issuable shares are not considered outstanding common shares and consequently are not included in loss per share calculation.

(f) Share-based payments

The stock option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Consideration paid on the exercise of stock options is credited to capital stock and the fair value of the options is reclassified from share-based payment reserves to share capital.

In situations where equity instruments are issued to non-employees and some or all of the services received by the entity as consideration cannot be specifically identified, they are all measured at the fair value of the share-based payment, otherwise, share-based payment is measured at the fair value of the services received. The fair value is measured at grant date and each tranche is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the number of stock options that are expected to vest.

2. SIGNIFICANT ACCOUNT POLICIES (continued)

(g) Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for a year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purpose. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable operations, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(h) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provision are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability, The unwinding of the discount is recognized as finance costs. The Company does not have any provisions for the years presented.

2. SIGNIFICANT ACCOUNT POLICIES (continued)

(i) Financial Instrument measurement and valuation

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 Unadjusted quoted prices in active markets for identical assets liabilities;
Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 Inputs that are not based on observable market data.

The measurement of the Company's financial instruments is disclosed in Note 14 to these financial statements. Any financial instrument that is valued using level 2 or level 3 inputs will involved estimate uncertainty.

(j) Financial assets

The Company classifies its financial assets into one of the following categories and the accounting policy for each category is as follows"

i. Fair value through profit or loss ("FVTPL")

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorized as FVTPL unless they are designed as effective hedges. Asset in this category include cash.

Financial assets at FVTPL are initially recognized, and subsequently carried, at fair value with changes recognized in profit or loss. Attributed transaction costs are recognized in profit or loss when incurred.

ii. Available-for-sale ("AFS")

Financial assets available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income or loss ("OCI") except for losses in value that are considered other than temporary or a significant or prolonged decline in the fair value of that investment below its cost. The Company does not have any AFS assets.

Financial assets AFS are initially recognized, and subsequently carried at fair value with changes recognized in OCI. Attributable acquisition transaction costs, if any, are recognized in the initial fair value.

2. SIGNIFICANT ACCOUNT POLICIES (continued)

(j) Financial assets (continued)

iii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months or those that are expected to be settled after 12 months from the end of the reporting period, which are classified as non-current assets. Assets in this category include loans receivable.

Loans and receivables are initially recognized at fair value plus any directly attributable transaction costs and subsequently carried at amortized cost using the effective interest method. The effective interest method is used to determine the amortized cost of loans and receivables and to allocate interest income over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial asset, or, where appropriate, a shorter period.

iv. Held to maturity

These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are initially recorded at fair value and subsequently measured at amortized cost basis using the effective interest method, less any impairment losses. These assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. The Company does not have any assets classified as held to maturity.

v. Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- Significant financial difficulty of the issuer or counterparty;
- Default or delinquency in interest or principal payments; or
- It has become probable that the borrower will enter bankruptcy or financial reorganization

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount, and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

2. SIGNIFICANT ACCOUNT POLICIES (continued)

(j) Financial assets (continued)

v. Impairment of financial assets (continued)

For financial assets measured at amortized costs, if, in a subsequent period, the amount of the impairment loss decrease and the decrease can be related objectively to an event occurring after the impairment losses were recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the assets at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

vi. De-recognition of financial assets

Financial assets are derecognized when the rights to receive cash flows from the assets expire or the financial assets are transferred and the Company has transferred substantially all of the risks and rewards of ownership of the financial assets. On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

(k) Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group entities are recorded at the proceeds received, net of direct issue costs.

The Company classifies its financial liabilities into one of two categories and the accounting policy for each category is as follows:

i. Fair value through profit or loss

This category of financial liability includes liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are initially recorded at fair value with subsequent changes in fair value recognized in profit and loss. The Company does not have any financial liabilities classified as fair value through profit and loss.

ii. Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis. This category includes amounts due to related parties and accounts payables and accrued liabilities.

2. SIGNIFICANT ACCOUNT POLICIES (continued)

(l) Property, Plant and Equipment

Property, plant and equipment are carried at acquisition cost less accumulated depreciation and impairment losses. Depreciation is determined at rates which will reduce the original cost to estimated residual values over the expected useful life of each asset. Depreciation is recognized using a straight line basis using the following estimated useful lives:

	Estimated Useful Life
Land	Indefinite
Buildings	20 years
Plant and machinery	5 years
Furniture, fixtures and other	5 years

Property, plant and equipment that are withdrawn from use, or have no reasonable prospect of being recovered through use or sale, are regularly identified and written off. Residual values and useful economic lives are reviewed at least annually, and adjusted if appropriate, at each reporting date.

Subsequent expenditure relating to an item of property, plant and equipment is capitalized when it is probable that future economic benefits from the use of the assets will be increased. All other subsequent expenditures are recognized as repairs and maintenance.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is de-recognized. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

(m) Impairment of non-financial assets

The carrying amount of the Company's non-financial assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of loss and comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs. An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change

2. SIGNIFICANT ACCOUNT POLICIES (continued)

(m) Impairment of non-financial assets (continued)

in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years. Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

(n) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of the borrowing cost eligible for capitalization is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining qualifying assets less any temporary investment income from those borrowings
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalized do not exceed the total borrowing costs incurred.

The capitalization of borrowing costs commences when:

- Expenditures for the asset have occurred;
- Borrowing costs have been incurred; and
- Activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalization is suspended during extended periods in which active development is interrupted.

Capitalization of borrowing costs ceases when substantially all of the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognized as an expense in the period in which they are incurred.

2. SIGNIFICANT ACCOUNT POLICIES (continued)

(o) Future Accounting Pronouncements

A number of new IFRS standards, amendments to standards and interpretations are not yet effective for the year ended December 31, 2014, and have not been applied in preparing these financial statements. None of these is expected to have an effect on the Company's financial statements.

Effective for annual periods beginning on or after January 1, 2015

i. New standard IFRS9 Financial Instruments
Partial replacement of IAS 39 Financial Instruments: Recognition and Measurement

The Company has not early adopted these revised standards and is currently assessing the impact that these standards could have on future financial statements.

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

- IFRS 7: Amended to require additional disclosures on transition from IAS 39 and IFRS 9, effective for annual periods beginning on or after January 1, 2015.
- IFRS 9: New standard that replaced IAS 39 for classification and measurement, tentatively effective for annual periods beginning on or after January 1, 2018.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements in conformity with International Financial Reporting Standards ("IFRS") requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(a) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year which include:

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(a) Critical accounting estimates (continued)

i. Fair value of the consideration given to acquire Superior Macs

The Company issued 4,545,455 non-voting restricted preferred shares to acquire Superior Macs (Note 11). As this transaction was a non-monetary transaction, management relied on the concurrent convertible debenture financing price of $0.15 per share as a basis to estimate the fair value of these shares exchanged for the acquisition of Superior Macs.

ii. Deferred income tax

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful operations of the Company. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

iii. Useful life equipment

Each significant component of an item of equipment is depreciated over its estimated useful life. Estimated useful lives are determined based on current facts and past management experience, and take into consideration the anticipated physical life of the asset, existing long-term sales agreements and contracts, current and forecasted demand, and the potential for technological obsolescence.

iv. Impairment of long lived assets

The carrying value of long lived assets is reviewed each reporting period to determine whether there is any indication of impairment. If the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and an impairment loss is recognized in the consolidated statement of loss. The assessment of fair values, including those of the cash generating units (the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflow from other assets or groups of assets – "CGUs") for purposes of impairment testing, require the use of estimates and assumptions for discount rates, foreign exchange rates, future capital requirements and operating performance. Changes in any of the assumption or estimates used in determining the fair value of long lived assets could impact the impairment analysis.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(b) Critical accounting judgements

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are, but are not limited to, the following:

i. Determination of functional currency

The functional currency of the Company is the South African Rand. The functional currency determination was conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates. The determination of functional currency involves certain judgments to determine the primary economic environment and the Company reconsiders the functional currency if there are changes in events and conditions of the factors used in the determination of the primary economic environment.

ii. Going Concern

The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its operations and working capital requirements as discussed in Note 1.

4. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Plant and Equipment	Furniture, fixtures and other	Total
Costs:					
December 31, 2012 and 2013	$ -	$ -	$ -	$ -	$ -
Additions	40,662	610,523	454,743	3,207	1,109,135
December 31, 2014	**$ 46,662**	**$ 610,523**	**$ 454,743**	**$ 3,207**	**$ 1,109,135**
Accumulated Depreciation:					
December 31, 2012 and 2013	$ -	$ -	$ -	$ -	$ -
Depreciation	-	18,592	55,392	392	74,376
December 31, 2014	**$ -**	**$ 18,592**	**$ 55,392**	**$ 392**	**$ 74,376**
Foreign Exchange Movement:					
December 31, 2012 and 2013	$ -	$ -	$ -	$ -	$ -
Foreign Exchange	1,599	15,693	24,668	1,385	43,345
December 31, 2014	**$ 1,599**	**$ 15,693**	**$ 24,668**	**$ 1,385**	**$ 43,345**
Net Book Value:					
December 31, 2012 and 2013	$ -	$ -	$ -	$ -	$ -
December 31, 2014	**$ 39,063**	**$ 576,238**	**$ 374,683**	**$ 1,430**	**$ 991,414**

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2014	December 31, 2013
Trade payables	**$ 67,918**	$ 3,239
VAT	**10,098**	-
Accruals	**18,000**	86,000
	$ 96,016	$ 89,239

6. BANK INDEBTEDNESS

The Company has a bank overdraft facility which bears interest at a rate of prime plus 0.6%. As of December 31, 2014, it was a total of 11.6%.

7. LOAN RECEIVABLE

	Principal	**Interest**	**Total**
Balance, December 31, 2012	**$ -**	**$ -**	**$ -**
Advance of funds	**26,699**	**-**	**26,699**
Interest accrued	**-**	**1,712**	**1,712**
Balance December 31, 2013	**26,699**	**1,712**	**28,411**
Interest accrued	**-**	**615**	**615**
Impact of foreign exchange	**946**	**84**	**1,030**
Applied to purchase price	**(27,645)**	**(2,411)**	**(30,056)**
Balance, December 31, 2014	**$ -**	**$ -**	**$ -**

On April 25, 2013, the Company loaned US$25,000 to Superior Macs. The funds were used to fund the working capital requirements of Superior Macs. The loan accrued interest at 10% per annum, was repayable in 12 months and was secured against the present and after acquired property of Superior Macs. The Company recognized $615 in interest revenue in fiscal 2014 (2013 - $1,712) associated with this receivable up to the date of the acquisition of Superior Macs. Subsequent to the acquisition, this intercompany loan and related interest eliminates on consolidation (Note 13).

8. BREAKDOWN OF EXPENSES BY NATURE

	For the Years Ended December 31,	
	2014	2013
Operating expenses:		
Depreciation	**$ 74,736**	$ -
Insurance	**2,627**	-
Miscellaneous	**5,521**	-
Repairs and maintenance	**1,086**	-
Salaries and wages	**19,870**	-
Utility costs	**12,528**	-
	$ 116,368	$ -
General and administrative costs:		
Foreign exchange gain	**$ (7,536)**	$ -
Consulting fees	**-**	18,822
Miscellaneous	**36,329**	2,678
Professional fees	**110,270**	125,933
Transfer agent and filing fees	**44,657**	15,990
	$ 183,720	$ 163,423

9. OTHER INCOME

Other income consists of incidental income earned through the provision of administrative and lab services to related companies.

10. SHARE CAPITAL

(a) Authorized Unlimited number of common shares without par value
Unlimited number of preferred shares without par value

(b) Share issuances

On April 17, 2014, the Company completed a non-brokered private placement of convertible debentures in the amount of $428,501, which automatically converted into 2,856,675 units of the Company at a price of $0.15 per unit. Each unit is comprised of one common share and one full warrant. Each warrant is exercisable to purchase an additional common share of the Company at a price of $0.20 until April 17, 2016.

On April 17, 2014, the Company issued 4,545,455 non-voting restricted preferred shares to the former shareholders of Superior Macs, having an estimated fair value of $681,818, based on the concurrent convertible debenture financing price of $0.15 per share. 50% of these non-voting preferred shares will be converted into common shares of the Company on April 17, 2015, and the remaining 50% will convert into common shares on April 17, 2016.

10. SHARE CAPITAL (continued)

(c) Escrow shares

10,000,000 of the Company's common shares were held in escrow. 10% of the escrow shares were released on a pro-rata basis to the shareholders upon final acceptance of the Company's QT by the Exchange, which occurred on April 25, 2014, and the remainder of these escrowed shares will be released in six equal tranches of 15% every six months thereafter for a period of 36 months.

December 31, 2013		10,000,000
April 25, 2014 - Released	10%	(1,000,000)
October 25, 2014 – Released	15%	(1,500,000)
Balance, December 31, 2014	**25%**	**7,500,000**

Release dates:		
April 25, 2015	15%	1,500,000
October 25, 2015	15%	1,500,000
April 25, 2016	15%	1,500,000
October 25, 2016	15%	1,500,000
April 25, 2017	15%	1,500,000
Balance in escrow December 31, 2014	**75%**	**7,500,000**

All of the escrow shares were considered contingently cancellable until such time as the Company completed its QT and accordingly they were not considered to be outstanding shares for the purposes of the loss per share calculations for the periods prior to the Company's QT, being April 17, 2014.

(d) Stock Options:

The Company has a stock option plan under which it is authorized to grant to executive officers and directors, employees and consultants stock options enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock, less an applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of 10 years and vest at the discretion of the Board of Directors.

A summary of the Company's stock option activity is as follows:

	Number of Options outstanding and exercisable	Exercise Price	Expiry Date
Balance, December 31, 2012 and 2013	1,200,000	$0.15	December 14, 2014
Expired/unexercised	(1,200,000)	$0.15	December 14, 2014
Balance, December 31, 2014	-	-	-

10. SHARE CAPITAL (continued)

(d) Stock Options: (continued)

During the years ended December 31, 2013, 250,000 agent's options expired with a weighted average exercise price of $0.10.

(e) Warrants

A summary of warrant activity for the years ended December 31, 2014:

Issue Date	Number of warrants	Exercise Price	Expiry Date
Balance, December 31, 2012 and 2013	-	-	-
April 17, 2014	2,856,675	$0.20	April 17, 2016
Balance, December 31, 2014	**2,856,675**	**$0.20**	**April 17, 2016**

At December 31, 2014, warrants outstanding are as follows:

Grant Date	Number of Warrants	Exercise Price	Expiry date	Remaining contractual life (years)
April 17, 2014	2,856,675	$0.20	April 17, 2016	1.30

11. RELATED PARTY TRANSACTION

Key Personnel Compensation

Key management personnel include those person having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. The remuneration of directors and key management personal during the year ended December 31, 2014 and 2013 are as follows:

Type of Service	Nature of Relationship	For the year ended December 31, 2014	2013
Management fees	To a company with a director and officers in common with the Company	**$ 41,475**	$ 30,000

The following summarizes amounts due to/from key management personnel:

Nature	Relationship	December 31, 2014	2013
Accounts payable – management fees and rent	To a company with a director and officers in common with the Company	**$ -**	$ -
Prepaid – Management fees	To a company with a director and officers in common with the Company	**$ -**	$ -

11. RELATED PARTY TRANSACTION (continued)

All other income recorded on the statement of loss and comprehensive loss was earned from related party companies.

12. ACQUISITION OF SUBSIDIARY

On April 17, 2014, the Company completed the acquisition of 100% of Superior Macs through its wholly owned subsidiary, 0978612 BC. Following this acquisition, the Company changed the name of its wholly owned South-African subsidiary from EmVest Nuts (Pty) Ltd to Superior Macadamias (Pty) Ltd. Superior Macs is a private company incorporated pursuant to the laws of South Africa, and is an operating company that processes and sells macadamia nuts.

As consideration for the acquisition, the Company issued 4,545,455 non-voting restricted preferred shares to the former shareholders of Superior Macs, having an estimated fair value of $681,818, based on the recently completed financing price of $0.15 per share. 50% of these non-voting preferred shares will be converted into common shares of the Company on April 17, 2015, the Company is in the process of converting these into common shares, and the remaining 50% will convert into common shares on April 17, 2016. After the acquisition, the shareholders of the Company remained in control of the combined company and for accounting purposes the Company has been deemed the acquirer. This acquisition meets the definition of a business combination under IFRS 3; accordingly, the assets and liabilities of Superior Macs have been included in the consolidated statement of financial position at fair value.

Consideration:		
Issuance of 4,545,455 shares of the Company	$	681,818
Loan receivable (Note 10)		30,056
	$	711,874
Allocation of consideration:		
Property, Plant and Equipment	$	1,109,135
Bank indebtedness		(44,158)
Provisions, trade and other payables		(221,044)
Current tax payable		(117,759)
Deferred taxes		(14,300)
	$	711,874

13. SIGNIFICANT NON-CASH ACTIVITIES

The following is summary of non-cash activities incurred during the year ended December 31, 2014:

(a) Recognition of $681,818 of share capital as a result of the acquisition of Superior Macs, representing the fair value of the consideration of 4,545,455 non-voting restricted preferred shares, together with net assets acquired, as detailed in Note 11 for $681,818;
(b) Prepaid expenses in the amount of $15,000 were included in share issuance cost; and
(c) Loan receivable, having a balance of $29,027 as at April 17, 2014, has been eliminated on consolidation of Superior Macs.

14. CAPITAL MANAGEMENT

The Company defines capital as consisting of shareholder's equity (comprised of issued share capital, deficit and accumulated other comprehensive loss) and cash. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital, but rather relies on the expertise of the Company's management to sustain the future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. As at December 31, 2014, the Company does not have any long term debt outstanding and is not subject to any externally imposed capital requirements or debt covenants.

15. FINANCIAL INSTRUMENTS

(a) Fair Value

Loan receivable is classified as loans and receivables and is measured at amortized cost. Accounts payable and accrued liabilities, bank indebtedness are classified as other liabilities and are measured at amortized cost. The Fair values of its receivables, accounts payable and accrued liabilities and bank indebtedness approximate their carrying values due to their short term maturity. The Company's other financial instrument, cash under the fair value hierarchy is based on level one quoted prices in active markets for identical assets or liabilities.

15. FINANCIAL INSTRUMENTS (continued)

(b) Financial Risks Factors

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

I. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. At December 31, 2014, the Company has a working capital deficit of $22,220 (December 31, 2013 - $204,504). This is insufficient to fund the Company's operating costs within the next year. The Company's ability to finance its future operating requirements is significantly dependent on the Company's ability to achieve profitable returns on its operating activities. Without these returns, the Company will remain dependent upon the continued financial support of its debtors and shareholders. The Company, as at December 31, 2014 is moderately exposed to liquidity risk.

II. Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign currency risk on fluctuations related to cash, accounts payable and accrued liabilities and bank indebtedness that are denominated in US dollars and South African RAND. A 1% fluctuation in the US/dollar against the Canadian dollar exchange rate would have an insignificant impact on the Company's cash balance and foreign exchange gain or loss for the year. A 10% fluctuation in the SA RAND against the Canadian dollar would affect accumulated other comprehensive loss for the year of approximately $6,918.

III. Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company places its cash with institutions of high-credit worthiness. Management has assessed there to be a low level of credit risk associated with its cash balances.

IV. Interest rate risk

Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in interest rates. The Company's bank indebtedness bears interest at prime plus 0.6%. As at December 31, 2014, a 10% change in prime rate would have an insignificant impact to the Company's net loss and comprehensive loss.

The Company's cash earns interest at a nominal rate. Interest risk related to cash and cash equivalents is therefore insignificant.

Should the business combination noted in Note 17 complete, the Company will have different exposure to financial risk factors as it plans to fund the cash position of the acquisition through debt.

16. SEGMENTED INFORMATION

The Company operates in one business segment, the agricultural processor and distributor of macadamia nuts in one geographic region: South Africa. The Company's assets and liabilities are as follows:

	Canada	South Africa	Total
As at December 31, 2014			
Cash	$ 187,193	$ 958	$ 188,151
Property, Plant and Equipment	$ -	$ 991,414	$ 991,414
	$ 187,193	**$ 992,372**	**$ 1,179,565**

	Canada	South Africa	Total
As at December 31, 2013			
Cash	$ 250,322	$ -	$ 250,322
Property, Plant and Equipment	$ -	$ -	$ -
Other assets	43,411	-	43,411
	$ 293,733	**$ -**	**$ 293,733**

For the year ended	Canada	South Africa	Total
December 31, 2014			
Other income	$ 615	$ 36,294	$ 36,909
Net loss	$ 183,105	$ 88,414	$ 271,519
December 31, 2013			
Other income	$ 1,712	$ -	$ 1,712
Net loss	$ 161,711	$ -	$ 161,711

17. COMMITMENTS AND SUBSEQUENT EVENTS

a) In addition to the macadamia processing activities, the Company engaged in the following strategic growth opportunities. On December 22, 2014, the Company entered into a definitive share purchase agreement ("the "Vos Agreement") to acquire all the shares of AP Vos & Sons (Pty) Limited and its related companies ("Vos"). The Vos Agreement contemplates a purchase price of US$32,500,000 in cash in exchange for all the issued and outstanding share capital of Vos. Vos and its related companies are private, family owned and operated, farming operations of mixed fruit and macadamia nut orchards in South Africa. A concurrent financing will be conducted in connection with the Transaction in order to satisfy the purchase price requirements, the terms of which remain to be agreed. Finder's fees may be payable in connection with the financing, subject to compliance with the Exchange's policies and subject to Exchange approval.

   In conjunction with the Vos Agreement, on March 2, 2015, the Company entered into definitive share purchase agreement (the "Qeton Agreement") to acquire all of the shares of Qeton Ltd., a private Irish Company, in exchange for the issuance of 170,8333,333 shares of Desmond. This transaction ("Transaction") is at arm's length and is expected to constitute a reverse takeover under the policies of the Exchange. The completion of the Transaction is subject to a number of conditions, including but not limited to receipt of all required shareholder, regulatory and third party consents, including Exchange acceptance, and satisfaction of other customary closing conditions. As such, there can be no assurance that the Transaction will be completed as proposed or at all.

   The Company intends to proceed with both transactions.

b) On January 26, 2015, the Company granted an aggregate of 1,200,000 incentive stock options exercisable at $0.15 each to directors and officers of the Company. All option granted are exercisable over a two year term, and shall vest immediately.

18. INCOME TAXES

a) A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

		2014		2013
Loss for the year	$	(274,172)		(161,711)
Expected income tax (recovery)	$	(71,000)	$	(40,000)
Change in statutory, foreign tax, foreign exchange rates and other		(4,000)		-
Non-deductible expenditures and non-taxable revenues		11,000		-
Share issue costs		(22,000)		-
Impact of acquisition		14,000		-
Change in unrecognized deductible temporary differences		72,000		40,000
Total income tax expense (recovery)	**$**	**-**	**$**	-

18. INCOME TAXES (continued)

The Canadian income tax rate declined/increased during the year due to changes in the law that reduced/increased corporate income tax rates in Canada/British Columbia.

The significant components of the Company's deferred tax assets and liabilities are as follows:

		2014		2013
Deferred tax assets (liabilities)				
Property and equipment	$	(13,700)	$	-
Net deferred tax liability	**$**	**(13,700)**	**$**	-

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	2014	Expiry Date Range	2013	Expiry Date Range
Temporary Differences				
Share issue costs	83,000	2035 to 2038	30,000	2034 to 2035
Property and equipment	127,000	No expiry	-	No expiry
Non-capital losses available for future period	762,000	2031 to 2034	516,000	2031 to 2033

Tax attributes are subject to review, and potential adjustment, by tax authorities.

b) The Company owes taxes in South Africa due on June 1, 2015 and June 30, 2015. Should the Company not make payment in the coming twelve months, there is further risk of penalties and interest.

APPENDIX B
FINANCIAL STATEMENTS OF CRAVEN

Craven House Industries Limited

Unaudited financial statements for the
9 month period ended 30 September 2017

UNAUDITED FINANCIAL STATEMENTS
for the 9 month period ended 30 September 2017

TABLE OF CONTENTS *PAGE*

COMPANY INFORMATION	2
INDEPENDENT ACCOUNTANT'S REPORT	3
STATEMENT OF COMPREHENSIVE INCOME	4
STATEMENT OF FINANCIAL POSITION	5
STATEMENT OF CHANGES IN EQUITY	6
STATEMENT OF CASH FLOWS	7
NOTES TO THE FINANCIAL STATEMENTS	8 - 14

COMPANY INFORMATION

DIRECTORS	Mark Pajak Brian Winters
SECRETARY	Brian Winters
REGISTERED OFFICE	152 Castle Avenue Dublin 3 Co. Dublin
REGISTERED NUMBER OF INCORPORATION	522929

CHARTERED ACCOUNTANTS' REPORT TO THE DIRECTORS' ON THE UNAUDITED FINANCIAL STATEMENTS OF CRAVEN HOUSE INDUSTRIES LIMITED FOR THE 9 MONTH PERIOD ENDED 30 SEPTEMBER 2017

We have compiled the financial statements of Craven House Industries Limited for the 9 month period ended 30 September 2017 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the related notes from the Company accounting records and from information and explanations you have given us.

This report is made solely to the directors' of Craven House Industries Limited in accordance with the terms of our engagement letter. Our work has been undertaken solely so that we might compile the financial statements that we have been engaged to compile, report to the Company's Directors that we have done so and state those matters that we have agreed to state to the directors of Craven House Industries Limited in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Craven House Industries Limited and its directors for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in Ireland and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

As instructed by you we have prepared the financial statements of Craven House Industries Limited for the period 30 September 2017 in accordance with International Financial Reporting Standards ("IFRSs"), as adopted for use in the European Union ("EU").

We have not been instructed to carry out an audit of the financial statements of Craven House Industries Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

RBK Business Advisers

Boole House
Beech Hill Office Campus
Beech Hill Road
Clonskeagh
Dublin 4

Date:

STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 September 2017

	Note	9 Months Ended 30 September 2017 €	9 Months Ended 30 September 2016 €
Administrative expenses	3	(2,890)	(1,742)
Fair value adjustments	4	(560,170)	(648,330)
(Loss) from continuing operations before income tax		(563,060)	(650,072)
Income tax	5	70,021	-
(Loss) for the period after tax		(493,039)	(650,072)
Other comprehensive income		-	-
Total comprehensive (loss) for the period		(493,039)	(650,072)

	3 Months Ended 30 September 2017 €	3 Months Ended 30 September 2016 €
Administrative expenses	-	-
Fair value adjustments	(133,578)	(3,090)
(Loss) from continuing operations before income tax	(133,578)	(3,090)
Income tax	-	-
(Loss) for the period after tax	(133,578)	(3,090)
Other comprehensive income	-	-
Total comprehensive (loss) for the period	(133,578)	(3,090)

STATEMENT OF FINANCIAL POSITION
At 30 September 2017

	Note	*30 September 2017* €	*31 December 2016* €
NON CURRENT ASSETS			
Tangible assets	*6*	*310,863*	*347,079*
Financial assets	*7*	*4,497,491*	*5,021,445*
		4,808,354	*5,368,524*
CURRENT ASSETS			
Trade and other receivables	*8*	*45*	*45*
		45	*45*
TOTAL ASSETS		*4,808,399*	*5,368,569*
EQUITY AND LIABILITIES			
EQUITY – ATTRIBUTABLE TO EQUITY HOLDERS			
Issued capital	*9*	*1,000*	*1,000*
Share premium	*9*	*4,006,010*	*4,006,010*
Retained earnings		*704,122*	*1,197,161*
TOTAL EQUITY		*4,711,132*	*5,204,171*
LIABILITIES			
NON CURRENT LIABILITIES			
Deferred income tax liabilities	*10*	*80,338*	*150,359*
		80,338	*150,359*
CURRENT LIABILITIES			
Trade and other payables	*11*	*16,929*	*14,039*
		16,929	*14,039*
TOTAL LIABILITIES		*97,267*	*164,398*
TOTAL EQUITY AND LIABILITIES		*4,808,399*	*5,368,569*

The financial statements were authorised for issue and approved by the board on by:

Mark Pajak

B Winters

STATEMENT OF CHANGES IN EQUITY
for the period ended 30 September 2017

Period ended 30 September 2016

	Issued capital	*Share premium*	*Retained earnings*	*Total equity*
	€	*€*	*€*	*€*
Balance at 1 January 2016	100	756,453	150,390	906,943
(Loss) for the period	-	-	(650,072)	(650,072)
Balance at 30 September 2016	**100**	**756,453**	**(499,682)**	**256,871**

Period ended 30 September 2017

	Issued capital	*Share premium*	*Retained earnings*	*Total equity*
	€	*€*	*€*	*€*
Balance at 1 January 2017	1,000	4,006,010	1,197,161	5,204,171
(Loss) for the period	-	-	(493,039)	(493,039)
Balance at 30 September 2017	**1,000**	**4,006,010**	**704,122**	**4,711,132**

STATEMENT OF CASH FLOWS
for the period ended 30 September 2017

	Note	*9 months ended* *30 September 2017* €	*30 September 2016* €
Cash flows from operating activities			
(Loss) from continuing operations before income tax		(563,060)	(650,072)
Unrealised loss on non current assets at fair value through the statement of comprehensive income		560,170	648,330
Change in trade and other payables		2,890	326,482
Net cash flows from operating activities		**-**	**(324,740)**
Cash flow from investing activities			
Payments on acquisition of non current assets held at fair value through the statement of comprehensive income		**-**	(324,740)
Cash flow from financing activities			
New issued capital		-	-
Increase in share premium		-	-
Net cash flows from financing activities		-	-
Net increase in cash and cash equivalents		-	-
Cash and cash equivalents at 1 January		-	-
Cash and cash equivalents at 30 September		**-**	**-**

NOTES TO THE FINANCIAL STATEMENTS
30 September 2017

1. CORPORATE INFORMATION

Craven House Industries Limited is an Irish registered private company limited by shares (registered under Parts 1 to 15 of the Companies Act 2014) with a registered office at 152 Castle Avenue, Dublin 3, Co. Dublin.

2. ACCOUNTING POLICIES

(a) Adoption of International Financial Reporting Standards ("IFRS")
The company has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for the accounting period beginning 1 January 2017.

(b) Basis of preparation
The financial statements are prepared under the historical cost convention except for non-current assets that are measured at fair value, as explained in the accounting policies below. The directors are satisfied that the company can continue as a going concern for the foreseeable future and has prepared the financial statements on this basis.

Statement of compliance
The interim financial statements for the nine months ended 30 September 2017 have been prepared in accordance with IAS 34 'Interim Financial Reporting'. The interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements as at 31 December 2017.

(c) Taxes
Current income tax assets and liabilities for the year are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Income tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise income tax is recognised in the statement of comprehensive income.

(d) Foreign currencies
The financial statements are presented in Euro (EUR), which is Craven House Industries Limited's functional currency. Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign currency amounts included in the statement of financial position have been converted to EUR at the rates of exchange ruling at the statement of financial position date.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2017 (Continued)

2. ACCOUNTING POLICIES (Continued)

Foreign currency transactions have been converted to EUR at the rates ruling at the dates of the transactions. Exchange gains and losses arising on conversion are dealt with in the statement of comprehensive income.

(e) Key estimates and judgments

Management believes there are no key areas of estimate or judgement given the nature of the business.

(f) Non-current assets

Tangible assets - Development land

Development land (Argentina) is measured at fair value at the reporting period date. The surplus or deficit on revaluation is recognized in the statement of comprehensive income. Foreign currency gains and losses arising on conversion are dealt with in the statement of comprehensive income.

Financial assets – Shares in unlisted investments

Shares in unlisted investments are measured at fair value at the reporting period date. The surplus or deficit on revaluation is recognized in the statement of comprehensive income. Foreign currency gains and losses arising on conversion are dealt with in the statement of comprehensive income.

(g) Current assets

Current assets are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

The company's current assets include trade and other receivables.

(h) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of International Accounting Standard 39 are classified as financial liabilities at fair value through profit or loss. The company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

The company's financial liabilities include trade and other payables.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2017 (Continued)

3. ADMINISTRATIVE EXPENSES

3.1. Significant costs included in the statement of comprehensive income

	9 months ended	
	30 September 2017	*30 September 2016*
	€	*€*
Auditors' remuneration	-	-
Accountants' remuneration	2,890	1,722

3.2. Employees
The company did not employ any persons during the year.

4. FAIR VALUE ADJUSTMENTS

	9 months ended	
	30 September 2017	*30 September 2016*
	€	*€*
Fair value (loss) on movement on fair value of tangible and financial assets	(560,170)	(648,330)

5. INCOME TAX

The major components of income tax expense for the period ended 30 September 2017 is:

(a) The income tax expense is made up as follows:

	9 months ended	
	30 September 2017	*30 September 2016*
	€	*€*
Current income tax:		
Current income tax charge	-	-
Total current tax (note 5(b))	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	70,021	-
Income tax expense reported in the statement of comprehensive income	70,021	-

NOTES TO THE FINANCIAL STATEMENTS
30 September 2017 (Continued)

(b) The income tax assessed on the loss from continuing operations for the year is higher than the standard rate of income tax in Ireland of 12.5%. A reconciliation of the income tax expense at the standard tax rate to the income tax expense at the effective rate is as follows:

	9 months ended	
	30 September 2017	*30 September 2016*
	€	*€*
(Loss) from continuing operations before tax	(563,060)	(650,072)
(Loss) from continuing operations multiplied by the standard rate of income tax applied of 12.5%	(70,383)	(81,259)
Tax losses carried forward	70,383	81,259
Deferred tax	70,021	
Total income tax (*note 5(*a))	70,021	-

6. TANGIBLE ASSETS

	30 September 2017	*31 December 2016*
	€	*€*
Development Land at fair value at 1 January	347,079	-
Additions	-	347,079
Fair value adjustment recognised in the statement of comprehensive income	(36,216)	-
Disposal	-	-
Development Land at fair value at period end	310,863	347,079

NOTES TO THE FINANCIAL STATEMENTS
30 September 2017 (Continued)

7. FINANCIAL ASSETS

	30 September 2017 €	*31 December 2016* €
Shares in foreign undertakings at fair value at 1 January	5,021,445	945,800
Additions	-	2,855,446
Fair value adjustment recognised in the statement of comprehensive income	(523,954)	1,220,199
Disposal	-	-
Shares in foreign undertakings at fair value at period end	4,497,491	5,021,445

8. OTHER CURRENT FINANCIAL ASSETS

	30 September 2017 €	*31 December 2016* €
Debtors	45	45
	45	45

All amounts due from related undertakings are current, non-interest bearing and payable on demand.

9. EQUITY

(a) Share capital

	30 September 2017 €	*31 December 2016* €
Authorised		
10,000,000 Ordinary shares of €1 each	10,000,000	10,000,000
Allotted, called up and fully paid		
1,000 Ordinary shares of €1 each	1,000	1,000

NOTES TO THE FINANCIAL STATEMENTS
30 September 2017 (Continued)

9. EQUITY (Continued)

	30 September 2017 €	*31 December 2016* €
At beginning of the period	1,000	100
Issue of share capital	-	900
At end of the period	1,000	1,000

The loss per share for the period ended 30 September 2017 is €493.04 (2016: €650.07).

(b) Share premium

	30 September 2017 €	*31 December 2016* €
At beginning of the period	4,006,010	756,453
Increase in share premium	-	3,249,557
At end of the period	4,006,010	4,006,010

10. NON CURRENT LIABILITIES

	30 September 2017 €	*31 December 2016* €
Deferred tax liability at 1 January	150,359	-
Charged to profit or loss	(70,021)	150,359
Deferred tax liability at period end	80,338	150,359

Deferred tax is an accounting adjustment to provide for tax that is expected to arise in the future as a result of differences in the accounting and tax bases of assets and liabilities. Management have exercised judgement in determining the amounts to be recognised for deferred tax liabilities arising on tangible and financial assets held at fair value.

11. CURRENT LIABILITIES

	30 September 2017	*31 December 2016*
	€	*€*
Amounts due to group undertakings	8,297	8,297
Accruals	8,632	5,742
	16,929	14,039

Terms and conditions of the above financial liabilities:

- Amounts owed to group undertakings are non-interest bearing and repayable on demand.
- Accruals are non-interest bearing and settlement is dependent on the terms of the payable.

Craven House Industries Limited

Schedules to the accounts for the 9 month period ended 30 September 2017

DETAILED SCHEDULES TO THE ACCOUNTS
for the 9 month period ended 30 September 2017

	9 months ended	
	30 September 2017	*30 September 2016*
	€	*€*
Accountancy	2,890	1,722
Auditors' remuneration	-	-
Fair value adjustment on movement on fair value measurement of tangible and financial assets	560,170	648,330
	563,060	650,072

Registered number: 522929

CRAVEN HOUSE INDUSTRIES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

CRAVEN HOUSE INDUSTRIES LIMITED

CONTENTS

	Page
Company information	1
Directors' report	2 - 3
Directors' responsibilities statement	4
Independent auditors' report	5 – 6
Statement of comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11 – 18

The following pages do not form part of the statutory financial statements:

Detailed profit and loss account and summaries	20

CRAVEN HOUSE INDUSTRIES LIMITED

COMPANY INFORMATION

DIRECTORS	Mark Pajak (English) Michael Battles (resigned 16 March 2017) Brian Winters (appointed 16 March 2017)
COMPANY SECRETARY	Michael Battles (resigned 16 March 2017) Brian Winters (appointed 16 March 2017)
REGISTERED NUMBER	522929
REGISTERED OFFICE	152 Castle Avenue Clontarf Dublin 3 D03W082
INDEPENDENT AUDITOR	RBK Business Advisers Chartered Accountants and Registered Auditors Boole House Beech Hill Office Campus Beech Hill Road Clonskeagh Dublin 4 D04 A563

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their annual report and the audited financial statements for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES

The principal activity of the company is management activities of holding companies including holding, acquiring, selling or otherwise disposing of shares in companies and all related activities.

BUSINESS REVIEW

During the year the company acquired a plot of development land in Argentina and a controlling interest in the share capital of a company in Brazil in its capacity as a holding company.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to €1,046,771 (2015 - €83,987).

No ordinary dividends were paid. The directors do not recommend the payment of a final dividend (2015 - €Nil).

ASSETS AND LIABILITIES AND FINANCIAL POSITION

At the end of the year the company had total assets of €5,368,569 (2015: €915,240) and total liabilities of €164,398 (2015: €8,297). The company's net asset value has increased from €906,943 to €5,204,171 during the year.

PRINCIPAL RISKS AND UNCERTAINTIES

Under Section 327(1)(b) of the Companies Act 2014, Craven House Industries Limited is required to give a description of the principal risks and uncertainties which it faces. Management and the board regularly review risks facing the company. The directors consider that there are appropriate policies and procedures in place to mitigate the effects of these risks.

The directors consider the principal risk and uncertainty at the current balance sheet date to be the risks related to the instability in the markets in which the underlying investments are held, together with direct exposure to currency, political and economic instability.

The directors have established mechanisms to minimise the impact of such risks, as an integral part of the business.

DIRECTORS, SECRETARY AND THEIR INTERESTS

The names of the persons who at any time during the financial year were directors of the company are as follows:

Mark Pajak
Michael Battles (resigned 16 March 2017)
Brian Winters (appointed 16 March 2017)

On 16 March 2017, the company secretary, Michael Battles, resigned and in his place Brian Winters was appointed as the company secretary.

Neither the directors nor the company secretary have any interest or beneficial interest in the share capital of the company 31 December 2016.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

POST REPORTING DATE EVENTS

The directors are not aware of any events since the statement of financial position date that would have a material impact on the results of the current financial year.

FUTURE DEVELOPMENTS

The directors do not envisage any changes in the operations of the company for the foreseeable future.

POLITICAL CONTRIBUTIONS

The company made no political donations which require disclosure under the Electoral Act 1997.

ACCOUNTING RECORDS

The measures taken by the directors to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the implementation of necessary policies and procedures for recording transactions, the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The company's accounting records are maintained at the company's registered office at 152 Castle Avenue, Clontarf, Dublin 3, D03W082.

STATEMENT ON RELEVANT AUDIT INFORMATION

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

INDEPENDENT AUDITOR

The auditor, RBK Business Advisers, continue in office in accordance with section 383(2) of the Companies Act 2014.

This report was approved by the board and signed on its behalf.

Mark Pajak
Director

Brian Winters
Director

Date: 21/2/18

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare the financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and applicable law.

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company, and of the profit or loss for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and which enable them to ensure that the financial statements comply with the provision of the Companies Act 2014. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Act 2014.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Parent Company's website (www.cravenhousecapital.com). Legislation in Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the board

Mark Pajak
Director

Brian Winters
Director

Date: 21/2/17

RBK

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRAVEN HOUSE INDUSTRIES LIMITED

We have audited the financial statements of Craven House Industries Limited for the year ended 31 December 2016, which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the related notes. The relevant financial reporting framework that has been applied in their preparation is Irish law and International Financial Reporting Standards ("IFRSs") as adopted by the European Union ("EU").

This report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express our opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view, of the assets, liabilities and financial position of the Company as at 31 December 2016 and of its profit for the year ended; and
- have been properly prepared in accordance with IFRS as adopted by the European Union as applied in accordance with the provisions of the Companies Act 2014.

Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements.

RBK

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRAVEN HOUSE INDUSTRIES LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of our obligations under the Companies Act 2014 which requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by section 305 to 312 of the Act are not made.

Brendan Mullally

Brendan Mullally
for and on behalf of
RBK Business Advisers
Chartered Accountants and Registered Auditors
Boole House
Beech Hill Office Campus
Beech Hill Road
Clonskeagh
Dublin 4
D04 A563

Date: 21/02/2018

CRAVEN HOUSE INDUSTRIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 €	2015 €
CONTINUING OPERATIONS			
Administrative expenses	4	(5,742)	(4,953)
Fair value adjustments	5	1,202,872	88,940
PROFIT FROM CONTINUING OPERATIONS BEFORE TAX		1,197,130	83,987
Income tax charge	7	(150,359)	-
PROFIT FOR THE FINANCIAL YEAR AFTER TAX		1,046,771	83,987
OTHER COMPREHENSIVE INCOME FOR THE YEAR			
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,046,771	83,987

The notes on pages 12 to 23 form part of these financial statements.

CRAVEN HOUSE INDUSTRIES LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016 €	2015 €
ASSETS			
NON CURRENT ASSETS			
Tangible assets held at fair value through profit or loss	8	347,079	-
Financial assets held at fair value through profit or loss	9	5,021,445	915,240
		5,368,524	915,240
CURRENT ASSETS			
Trade and other receivables	10	45	-
		45	-
TOTAL ASSETS		5,368,569	915,240
EQUITY			
CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS			
Share capital	12	1,000	100
Share premium	12	4,006,010	756,453
Retained earnings		1,197,161	150,390
TOTAL EQUITY		5,204,171	906,943
LIABILITIES			
NON CURRENT LIABILITIES			
Deferred income tax liabilities	13	150,359	-
		150,359	-
CURRENT LIABILITIES			
Trade and other payables	14	14,039	8,297
		14,039	8,297
TOTAL LIABILITIES		164,398	8,297
TOTAL EQUITY AND LIABILITIES		5,368,569	915,240

The financial statements were approved and authorised for issue by the board:

Mark Pajak
Director

Brian Winters
Director

Date: 21/2/19

The notes on pages 12 to 23 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Share capital	Share premium	Retained earnings	Total equity
	€	€	€	€
At 1 January 2016	100	756,453	150,390	906,943
Comprehensive income for the year				
Profit for the year	-	-	1,046,771	1,046,771
Total comprehensive income for the year	-	-	1,046,771	1,046,771
Issue of share capital	900	3,249,557	-	3,250,457
Total transactions with owners	900	3,249,557	-	3,250,457
At 31 December 2016	1,000	4,006,010	1,197,161	5,204,171

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Share capital	Share premium	Retained earnings	Total equity
	€	€	€	€
At 1 January 2015	100	756,453	66,403	822,956
Comprehensive income for the year				
Profit for the year	-	-	83,987	83,987
Total comprehensive income for the year	-	-	83,987	83,987
At 31 December 2015	100	756,453	150,390	906,943

The notes on pages 11 to 23 form part of these financial statements.

CRAVEN HOUSE INDUSTRIES LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 €	2015 €
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial year	1,197,130	83,987
ADJUSTMENTS FOR:		
Increase in value of investments	(1,250,759)	(88,940)
(Increase) in trade and other receivables	(45)	-
Increase in trade and other payables	5,742	4,953
Taxation charge	-	-
Corporation tax (paid)	-	-
NET CASH GENERATED FROM OPERATING ACTIVITIES	(47,932)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible fixed assets	(347,079)	-
Investment additions	(2,855,446)	-
NET CASH FROM INVESTING ACTIVITIES	(3,202,525)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	3,250,457	-
NET CASH USED IN FINANCING ACTIVITIES	3,250,457	-
(DECREASE) IN CASH AND CASH EQUIVALENTS	-	-
Cash and cash equivalents at beginning of year	-	-
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	-	-
CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:		
Cash at bank and in hand	-	-
	-	-

1. GENERAL INFORMATION

These financial statements comprising the Statement of Comprehensive Income, the Statement of Finacial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes constitute the individual financial statements of Craven House Industries Limited for the financial year ended 31 December 2016.

Craven House Industries Limited is a private company limited by shares (registered under Parts 1 to 15 of the Companies Act 2014), incorporated in the Republic of Ireland. The Registered Office is 152 Castle Avenue, Clontarf, Dublin 3, D03W082. The nature of the company's operations and its principal activities are set out in the Director's Report.

Currency

The financial statements have been presented in Euro (€) which is also the functional currency of the company.

2. ACCOUNTING POLICIES

2.1 Adoption of International Financial Reporting Standards ("IFRS")

The company has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for the accounting period beginning 1 January 2015.

2.2 Basis of preparation of financial statements

The financial statements are prepared under fair value accounting, as explained in the accounting policies below. The directors are satisfied that the company can continue as a going concern for the foreseeable future and has prepared the financial statements on this basis.

2.3 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), as adopted for use in the European Union ("EU").

2.4 Taxes

Current income tax assets and liabilities for the year are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Income tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise income tax is recognised in the statement of comprehensive income.

2.5 Foreign currencies

The financial statements are presented in Euro (EUR), which is Craven House Industries Limited's functional currency. Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined. Foreign currency amounts included in the statement of financial position have been converted to EUR at the rates of exchange ruling at the statement of financial position date.

Foreign currency transactions have been converted to EUR at the rates ruling at the dates of the transactions. Exchange gains and losses arising on conversion are dealt with in the statement of comprehensive income.

2.6 Non current assets

Tangible assets - Development land
Development land is measured at fair value at the reporting period date. The surplus or deficit on revaluation is recognized in the statement of comprehensive income. Foreign currency gains and losses arising on conversion are dealt with in the statement of comprehensive income.

Financial assets – Shares in unlisted investments
Shares in unlisted investments are measured at fair value at the reporting period date. The surplus or deficit on revaluation is recognized in the statement of comprehensive income. Foreign currency gains and losses arising on conversion are dealt with in the statement of comprehensive income.

Financial instruments that are measured subsequent to initial recognition at fair value are grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 fair value measurements are those derived from quoted prices (adjusted) in active markets for identical assets or liabilities; and

Level 2 fair value measurements for those derived from inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly or indirectly.

Level 3 fair value measurements are those derived from inputs that are not observable market data.

2.7 Current assets

Current assets are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

The company's current assets include trade and other receivables.

2.8 Financial liabilities

Initial recognition and measurement
Financial liabilities within the scope of International Accounting Standard 39 are classified as financial liabilities at fair value through profit or loss. The company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value.

Subsequent measurement
The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. The company's financial liabilities include trade and other payables.

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with IFRSs as adopted by the EU, requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods of the revision affect both current and future periods.

In particular, significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements relate to the valuation of tangible and financial assets.

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The operating profit is stated after charging:

	2016 €	2015 €
Auditors' remuneration	4,000	1,722

5. FAIR VALUE ADJUSTMENTS

	2016 €	2015 €
Fair value gain on movement on fair value of tangible and financial assets	1,202,872	88,940
	1,202,872	88,940

6. EMPLOYEES

The company did not employ any persons during the year.

7. INCOME TAX

	2016 €	2015 €
CURRENT INCOME TAX:		
Current income tax charge	-	-
DEFERRED TAX:		
Relating to origination and reversal of temporary differences	150,359	-
INCOME TAX EXPENSE REPORTED IN THE STATEMENT OF COMPREHENSIVE INCOME	150,359	-

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2016 – lower than) the standard rate of corporation tax in Ireland of 12.5% (2016 - 12.5%). The differences are explained below:

	2016 €	2015 €
Profit on ordinary activities before tax	1,197,130	83,987
Profit on ordinary activities multiplied by standard rate of corporation tax in Ireland of 12.5% (2016 - 12.5%)	149,641	10,498
EFFECTS OF:		
Gains not taxable	(149,641)	(10,498)
Deferred tax	150,359	
TOTAL TAXATION CHARGE FOR THE YEAR	150,359	-

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There are no known factors that may affect future tax charges.

8. TANGIBLE ASSETS

	2016 €	2015 €
DEVELOPMENT LAND		
Fair value at 1 January	-	-
Additions	347,079	-
Disposals	-	-
Fair value adjustment recognised in the statement of comprehensive income	-	-
Fair value at 31 December	347,079	-

The addition in the year relates to a parcel of development land in Argentina, valued at US$365,000. This was substantially transferred to Craven House Industries Limited by its parent company in December 2016.

9. FINANCIAL ASSETS

	2016 €	2015 €
UNLISTED INVESTMENTS		
Fair value at 1 January	945,800	856,860
Additions	2,855,446	-
Disposals	-	-
Fair value adjustment recognised in the statement of comprehensive income	1,220,199	88,940
Fair value at 31 December	5,021,445	945,800
Provision for diminution in value	(30,560)	(30,560)
Reversal of provision for diminution in value	30,560	-
	5,021,445	915,240

Fixed asset investments represent part ownership of the share capital of the following companies:

1. 50.1% - Finishtec Acabamentos Tecnicos Em Metais Ltda – ME (Brazil)
2. 99.99% - Universal Properties Brasil Administracao de Imoveis Ltda ("UPBAI") (Brazil)

The unlisted investment additions in the year relate to Universal Properties Brasil Administracao de Imoveis Ltda ("UPBAI"), a Brazilian company holding a land asset in Brazil, valued at US$4,980,729 by an independent external professional valuer.

10. CURRENT ASSETS

	2016 €	2015 €
Trade and other receivables	45	-
	45	-

All amounts due from related undertakings are current, non-interest bearing and payable on demand.

11. CASH AND CASH EQUIVALENTS

	2016 €	2015 €
Cash at bank and in hand	-	-
	-	-

12. EQUITY

(a) Share capital

	2016 €	2015 €
Authorised		
10,00,000 - Ordinary shares of €1 each	10,00,000	10,00,000
Allotted, called up and fully paid		
1,000 - Ordinary shares of €1 each	1,000	100

	2016 €	2015 €
At beginning of the year	100	100
Issue of share capital	900	-
At end of the year	1,000	100

The earnings per share for the year ended 31 December 2016 is €1,046.77 (2015: €839.87).

(b) Share premium

	2016 €	2015 €
At beginning of the year	756,453	756,453
Increase in share premium	3,249,557	-
At end of the year	4,006,010	756,453

13. NON CURRENT LIABILITIES

	2016 €	2015 €
Deferred tax liability at 1 January	-	-
Deferred income tax	150,359	-
Deferred tax liability at 31 December	150,359	-

Deferred tax is an accounting adjustment to provide for tax that is expected to arise in the future as a result of differences in the accounting and tax bases of assets and liabilities. Management have exercised judgement in determining the amounts to be recognised for deferred tax liabilities arising on financial assets held at fair value.

14. CURRENT LIABILITIES

	2016 €	2015 €
Amounts due to group undertakings	8,297	6,101
Accruals	5,742	2,196
	14,039	8,297

Terms and conditions of the above financial liabilities:

- Amounts owed to group undertakings are non-interest bearing and repayable on demand.
- Accruals are non-interest bearing and settlement is dependent on the terms of the payable.

14. FINANCIAL INSTRUMENTS

The accounting policies for financial instruments have been applied to the line items below:

Tangible and financial assets at fair value through profit and loss

Financial instruments that are measured subsequent to initial recognition at fair value are grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 fair value measurements are those derived from quoted prices (adjusted) in active markets for identical assets or liabilities; and

Level 2 fair value measurements for those derived from inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly or indirectly.

Level 3 fair value measurements are those derived from inputs that are not observable market data.

	2016 €	2015 €
FINANCIAL ASSETS		
Financial assets that are held at fair value through profit and loss (Level 3)	5,021,445	915,240
Financial assets that are debt instruments measured at amortised cost (Level 1)	45	-
	5,021,490	4,610,199
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost (Level 1)	(8,297)	(6,101)
	(8,297)	(6,101)

Financial assets that are held at fair value through profit and loss comprise unlisted investments.

Financial assets that are debt instruments measured at amortised cost comprise of trade and other receivables.

Financial liabilities measured at amortised cost comprise of amounts owed to group undertakings.

15. APPROVAL OF FINANCIAL STATEMENTS

The board of directors approved these financial statements for issue on 21/2/17.

Registered number: 522929

CRAVEN HOUSE INDUSTRIES LIMITED

DETAILED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2016

CRAVEN HOUSE INDUSTRIES LIMITED

SCHEDULE TO THE DETAILED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2016

DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 €	2015 €
CONTINUING OPERATIONS		
ADMINISTRATIVE EXPENSES		
Accountancy	(1,722)	-
Auditors' remuneration	(4,000)	(1,722)
Legal and professional	(20)	(3,231)
	(5,742)	(4,953)
Fair value adjustment on movement on fair value measurement of tangible and financial assets	1,202,872	88,940
PROFIT FROM CONTINUING OPERATIONS BEFORE TAX	1,197,130	83,987

APPENDIX C
FINANCIAL STATEMENTS OF CENIAKO

CENIAKO LTD GROUP

CONSOLIDATED FINANCIAL STATEMENTS
Period from 1 January 2017 to 30 September 2017

CENIAKO LTD GROUP

CONSOLIDATED FINANCIAL STATEMENTS
For the 9-months ended 30 September 2017

CONTENTS

	PAGE
Board of Directors and other officers	1
Consolidated statement of profit or loss and other comprehensive income	2
Consolidated statement of financial position	3
Consolidated statement of changes in equity	4
Consolidated cash flow statement	5
Notes to the consolidated financial statements	6 - 15

CENIAKO LTD GROUP

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	A.I.L. NOMINEE SERVICES LTD
Company Secretary:	Maria Panayiotou
Independent Auditors	Costas Miaoulis Certified Public Accountants Xenagora 10, 2052, Strovolos, Nicosia
Registered office:	Agion Omologiton, 15 Nicosia 1080 Cyprus

CENIAKO LTD GROUP

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the 9-months ended 30 September 2017

	Note	**30 SEP 2017** **€**	30 SEP 2016 €
Net exchange profit/loss		**(141,302)**	385,733
Other operating income		-	17,587
Gross (loss)/profit		**(141,302)**	403,320
Administration expenses		**(28,219)**	(28,363)
Operating (loss)/profit		**(169,521)**	374,957
Finance costs	8	**(17)**	(256)
Net (loss)/profit for the period		**(169,538)**	374,701
Other comprehensive income		-	-
Total comprehensive income for the period		**(169,538)**	374,701
(Loss)/profit per share attributable to equity holders of the parent (€)	9	**(169.54)**	374.70

The notes on pages 6 to 15 form an integral part of these consolidated financial statements.

CENIAKO LTD GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 September 2017

	Note	30 SEP 2017 €	31 DEC 2016 €
ASSETS			
Non-current assets			
Investment properties	11	**9,038,763**	9,038,763
		9,038,763	9,038,763
Current assets			
Receivables	12	**1,636**	9,987
Other investments	13	**37**	41
Refundable taxes	20	**956**	1,045
Cash at bank and in hand	14	**711**	777
		3,340	11,850
Total assets		**9,042,103**	9,050,613
EQUITY AND LIABILITIES			
Equity			
Share capital	15	**1,000**	1,000
Other reserves	16	**8,031,642**	7,880,582
Accumulated losses		**(809,784)**	(640,246)
Total equity		**7,222,858**	7,241,336
Non-current liabilities			
Borrowings	17	**1,804,528**	1,800,094
		1,804,528	1,800,094
Current liabilities			
Trade and other payables	19	**14,717**	9,183
		14,717	9,183
Total liabilities		**1,819,245**	1,809,277
Total equity and liabilities		**9,042,103**	9,050,613

On 8 December 2017 the Board of Directors of CENIAKO LTD GROUP authorised these consolidated financial statements for issue.

A.I.L. NOMINEE SERVICES LTD

.....
A.I.L. NOMINEE SERVICES LTD
Director

The notes on pages 6 to 15 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the 9-months ended 30 September 2017

	Share capital €	Fair value reserve - land and buildings €	Accumula-ted losses €	Total €
Balance at 1 January 2016	**1,000**	**8,030,999**	**(818,949)**	**7,213,050**
Comprehensive income				
Net profit for the period	-	-	374,701	374,701
Transactions with owners				
Exchange difference	-	-	(195,998)	(195,998)
Total transactions with owners	-	-	(195,998)	(195,998)
Other movements				
Revaluation for the year	-	(150,417)	-	(150,417)
Total other movements	-	(150,417)	-	(150,417)
Balance at 31 December 2016/ 1 January 2017	**1,000**	**7,880,582**	**(640,246)**	**7,241,336**
Comprehensive income				
Net loss for the period	-	-	(169,538)	(169,538)
Loss for the period 1 October to 31 December 2016	-	-	-	-
Other movements				
Revallutation for the year	-	151,060	-	151,060
Total other movements	-	151,060	-	151,060
Balance at 30 September 2017	**1,000**	**8,031,642**	**(809,784)**	**7,222,858**

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 17% will be payable on such deemed dividends to the extent that the ultimate shareholders are both Cyprus tax resident and Cyprus domiciled. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

CENIAKO LTD GROUP

CONSOLIDATED CASH FLOW STATEMENT
For the 9-months ended 30 September 2017

	Note	30 SEP 2017 €	30 SEP 2016 €
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before tax		**(169,538)**	374,701
Adjustments for:			
Depreciation of property, plant and equipment	10	**-**	220
Fair value losses/(gains)		**151,061**	(150,417)
Interest expense	8	**17**	256
		(18,460)	224,760
Changes in working capital:			
Decrease/(increase) in receivables		**8,351**	(7,385)
Increase/(Decrease) in trade and other payables		**5,534**	(1,415)
Cash (used in)/generated from operations		**(4,575)**	215,960
Tax refunded/(paid)		**89**	(205)
Net cash (used in)/generated from operating activities		**(4,486)**	215,755
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of other investments	13	**4**	(8)
Net cash generated from/(used in) investing activities		**4**	(8)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowings		**-**	(17,622)
Proceeds from borrowings		**4,434**	-
Interest paid		**(17)**	(256)
Net cash generated from/(used in) financing activities		**4,417**	(17,878)
Net (decrease)/increase in cash and cash equivalents		**(65)**	197,869
Cash and cash equivalents at beginning of the period		**777**	(197,092)
Cash and cash equivalents at end of the period	14	**711**	777

The notes on pages 6 to 15 form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the 9-months ended 30 September 2017

1. Incorporation and principal activities

Country of incorporation

The Company CENIAKO LTD GROUP (the "Company") was incorporated in Cyprus on 24 July 2012 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Agion Omologiton, 15, Nicosia, 1080, Cyprus.

Principal activities

The principal activity of the Group is the holding of investment.

2. Significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented in these consolidated financial statements unless otherwise stated.

Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. These consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of land and buildings and investment property.

Adoption of new and revised IFRSs

During the current period the Group adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2017. This adoption did not have a material effect on the accounting policies of the Group.

At the date of approval of these consolidated financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the consolidated financial statements of the Group.

During the current period of the Group adopted the guidelines of the IAS34 and are effective for the accounting period beginning on 1 January 2017. The IAS34 is in full compliance with the current period of the Group.

Basis of consolidation

The Company has subsidiary undertakings for which section 142(1)(b) of the Cyprus Companies Law Cap. 113 requires consolidated financial statements to be prepared and laid before the Company at the Annual General Meeting. The Group consolidated financial statements comprise the financial statements of the parent company CENIAKO LTD GROUP and the financial statements of the following subsidiary, WOODFORD EMPREENDIMENTOS IMOB. LTDA

The financial statements of all the Group companies are prepared using uniform accounting policies. All inter-company transactions and balances between Group companies have been eliminated during consolidation.

2. Significant accounting policies (continued)

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired undertaking at the date of acquisition. Goodwill on acquisition of subsidiaries is included in "intangible assets". Goodwill on acquisitions of associates is included in "Investments in associates". Goodwill on acquisitions of investments in joint ventures is included in "investments in joint ventures".

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an undertaking include the carrying amount of goodwill relating to the undertaking sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

Segmental reporting

The Group is organised by business segments and this is the primary format for segmental reporting. Each business segment provides products or services which are subject to risks and returns that are different from those of other business segments. The Group operates in Cyprus and Brazil. The holding company is situated in Cyprus and its only operation is the holding of shares in Brazilian subsidiary. The subsidiary's only operation is: Subsidiary is the owner of the land in Brazil. For these reasons operations are not analysed by geographical segment in much detail but only as stated in Note 5.

Revenue recognition

Revenues of the Group are recognized on an accrual basis.

Employee benefits

The Group and its employees contribute to the Government Social Insurance Fund based on employees' salaries. The Group's contributions are expensed as incurred and are included in staff costs. The Group has no legal or constructive obligations to pay further contributions if the scheme does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

Property, plant and equipment

Land and buildings are carried at fair value, based on valuations by external independent valuers, less subsequent depreciation for buildings. Revaluations are carried out with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. All other property, plant and equipment are stated at historical cost less depreciation.

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to other comprehensive income. Decreases that offset previous increases of the same asset are charged against that reserve; all other decreases are charged to profit or loss. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to profit or loss) and depreciation based on the asset's original cost is transferred from fair value reserves to retained earnings.

Depreciation is calculated on the straight-line method so as to write off the cost or revalued amount of each asset to its residual value, over its estimated useful life. The annual depreciation rates used are as follows:

	%
Furniture, fixtures and office equipment	20

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

2. Significant accounting policies (continued)

Property, plant and equipment (continued)

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. When revalued assets are sold, the amounts included in the fair value reserves are transferred to retained earnings.

Investment properties

Investment property, principally comprising of land is held for long-term rental yields and/or for capital appreciation and is not occupied by the Group. Investment property is carried at fair value, representing open market value determined annually by external valuers. Under IFRS 40 -'Investment property', which the Group adopted, changes in fair values are recorded in profit or loss and are included in other operating income. Previously the Group had recorded such fair value changes net of deferred income taxes in the fair value reserves in the shareholders' equity. The amount included in that reserve at the date of adopting IFRS 40 have been transferred to retained earnings.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the continued use of the asset. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Financial instruments

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash at bank.

2. Significant accounting policies (continued)

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statement of financial position.

Share capital

Ordinary shares are classified as equity.

3. Financial risk management

Financial risk factors
The Group is exposed to interest rate risk, credit risk and liquidity risk arising from the financial instruments it holds. The risk management policies employed by the Group to manage these risks are discussed below:

3.1 Interest rate risk
Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets. The Group is exposed to interest rate risk in relation to its non-current borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

3.2 Credit risk
Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Group has no significant concentration of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables.

3. Financial risk management (continued)

3.2 Credit risk (continued)

Except as detailed in the following table, the carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the maximum credit exposure without taking account of the value of any collateral obtained:

	2017	2016
	€	€
	2,266	1,777

3.3 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Group has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

4. Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Group's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Going concern basis**

  The assessment of the Group for the appropriateness of the use of the going concern basis is disclosed in note 2.

- **Fair value of investment property**

  The fair value of investment property is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. The fair value of the investment property has been estimated based on the fair value of their individual assets.

- **Fair value of financial assets**

  The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. The fair value of the financial assets available for sale has been estimated based on the fair value of these individual assets.

5. Segmental analysis

2017	**Parent**	**Subsidiary**		**Total**
	€	**€**	**€**	**€**
Exchange loss	**-**	**(141,302)**	**-**	**(141,302)**
Profit before tax	**(5,350)**	**(164,188)**	**-**	**(169,538)**
Land/Investment Property	**-**	**9,038,763**	**3,340**	**9,042,103**
Liabilities	**22,123**	**1,797,122**	**-**	**1,819,245**
Expenditure	**5,350**	**22,886**	**(28,236)**	**-**
Other Assets	**1,000**	**2,840**	**(3,840)**	**-**

2016	Parent	Subsidiary		Total
	€	€	€	€
Revenue	-	383,753	19,567	403,320
Profit before tax	1,850	372,851	-	374,701
Land/Investment	-	9,038,763	11,850	9,050,613
Liabilities	16,773	1,792,504	-	1,809,277
Expenditure	1,850	-	(1,850)	-
Other Assets	1,000	10,850	(11,850)	-

6. Expenses by nature

	2017	2016
	€	€
Staff costs (Note 7)	**4,358**	6,455
Depreciation and amortisation expense	**-**	220
Auditors' remuneration	**-**	1,500
Other expenses	**23,861**	20,188
Total expenses	**28,219**	28,363

7. Staff costs

	2017	2016
	€	€
Salaries	**2,761**	4,249
Social security costs	**1,597**	2,206
	4,358	6,455

8. Finance costs

	2017	2016
	€	€
Interest expense	**17**	256
	17	256

9. (Loss)/profit per share attributable to equity holders of the parent

	2017	2016
(Loss)/profit attributable to shareholders (€)	**(169,538)**	374,701
Weighted average number of ordinary shares in issue during the period	**1,000**	1,000
(Loss)/profit per share attributable to equity holders of the parent (€)	**(169.54)**	374.70

10. Property, plant and equipment

	Motor vehicles	Furniture, fixtures and office equipment	Total
	€	€	€
Cost or valuation			
Balance at 1 January 2016	14,059	904	14,963
Exchange differences	3,427	220	3,647
Balance at 31 December 2016/ 1 January 2017	**17,486**	**1,124**	**18,610**
Exchange differences	(1,482)	(95)	(1,577)
Balance at 30 September 2017	**16,004**	**1,029**	**17,033**
Depreciation			
Balance at 1 January 2016	14,059	727	14,786
Exchange differences	3,427	220	3,647
Balance at 31 December 2016/ 1 January 2017	**17,486**	**1,124**	**18,610**
Exchange differences	(1,482)	(95)	(1,577)
Balance at 30 September 2017	**16,004**	**1,029**	**17,033**
Net book amount			
Balance at 30 September 2017	-	-	-
Balance at 31 December 2016	-	-	-

Fair value hierarchy

The fair value of property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Group's property portfolio every 12 months.

The fair value measurement for the properties has been categorized as a Level 3 fair value based on the inputs to the valuation technique used.

11. Investment properties

	2017	2016
	€	€
Balance at 1 January	**9,038,763**	9,037,086
Revaluation	-	1,677
Balance at 30 September/31 December	**9,038,763**	9,038,763

Fair value hierarchy

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Group's property portfolio every 12 months.

12. Receivables

	2017	2016
	€	€
Receivables from parent (Note 21.1)	**510**	510
Deposits and prepayments	**81**	8,987
Other receivables	**1,045**	490
	1,636	9,987

The fair values of receivables due within one year approximate to their carrying amounts as presented above.

The exposure of the Group to credit risk and impairment losses in relation to receivables is reported in note 3 of the consolidated financial statements.

13. Other investments

	2017	2016
	€	€
Balance at 1 January	**41**	33
Additions	**(4)**	8
Balance at 30 September/31 December	**37**	41

14. Cash at bank and in hand

Cash balances are analysed as follows

	2017	2016
	€	€
Cash at bank and in hand	**711**	777
	711	777

The exposure of the Group to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 3 of the consolidated financial statements.

15. Share capital

	2017 Number of shares	**2017**	2016 Number of shares	2016
		€		€
Authorised				
Ordinary shares of €1,71 each	**1,000**	**1,000**	1,000	1,000
		€		€
Issued and fully paid				
Balance at 1 January	**1,000**	**1,000**	1,000	1,000
Balance at 30 September/31 December	**1,000**	**1,000**	1,000	1,000

16. Other reserves

	Fair value reserve - land and buildings	Total
	€	€
Balance at 1 January 2016	8,030,999	8,030,999
Exchange difference arising on the translation and consolidation of foreign companies' financial statements	(150,417)	(150,417)
Balance at 31 December 2016/ 1 January 2017	**7,880,582**	**7,880,582**
Exchange difference arising on the translation and consolidation of foreign companies' financial statements	151,060	151,060
Balance at 30 September 2017	**8,031,642**	**8,031,642**

The fair value reserve for land and buildings arises on the revaluation of land and buildings. When revalued land or buildings are sold, the portion of the properties revaluation reserve that relates to that asset, and that is effectively realised, is transferred directly to retained earnings.

17. Borrowings

	2017	2016
	€	€
Non-current borrowings		
Loans from ultimate shareholders (Note 21.2)	**1,804,528**	1,800,094

Maturity of non-current borrowings:

	2017	2016
	€	€
Between two and five years	**1,804,528**	1,800,094

18. Deferred tax

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

The group does not made any deferred tax provision beacause the holding company is a pure investment company and any gain from its operation is not taxable according to the Cyprus tax legislation. The only subsidiary of the group owns a plot of land that the company has no any intentions to sell it in the near future and no any loss or gain is expected to be raise.

19. Trade and other payables

	2017	2016
	€	€
Social insurance and other taxes	**717**	183
Accruals	**14,000**	9,000
	14,717	9,183

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

20. Refundable taxes

	2017	2016
	€	€
Corporation tax	**(956)**	(1,045)
	(956)	(1,045)

21. Related party transactions

The following transactions were carried out with related parties:

21.1 Receivables from related parties

		2017	2016
Name	Nature of transactions	€	€
FIBERA HOLDING LTD	Finance	**510**	510
		510	510

21.2 Shareholders' current accounts - credit balances (Note 17)

	2017	2016
	€	€
Shareholder	**1,804,528**	1,800,094
	1,804,528	1,800,094

The shareholders' current accounts are interest free, and have no specified repayment date.

22. Contingent liabilities

The Group had no contingent liabilities as at 30 September 2017.

23. Commitments

The Group had no capital or other commitments as at 30 September 2017.

24. Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the consolidated financial statements.

CENIAKO LTD GROUP

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
31 December 2016

CENIAKO LTD GROUP

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
31 December 2016

CONTENTS

	PAGE
Board of Directors and other officers	1
Management Report	2
Independent auditor's report	3 - 5
Consolidated statement of profit or loss and other comprehensive income	6
Consolidated statement of financial position	7
Consolidated statement of changes in equity	8
Consolidated cash flow statement	9
Notes to the consolidated financial statements	10 - 19

CENIAKO LTD GROUP

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	A.I.L. NOMINEE SERVICES LTD
Company Secretary:	Maria Panayiotou
Independent Auditors	Costas Miaoulis Certified Public Accountants Xenagora 10, 2052, Strovolos, Nicosia
Registered office:	Agion Omologiton, 15 Nicosia 1080 Cyprus

MANAGEMENT REPORT

The Board of Directors presents its report and audited consolidated financial statements of the Company and its subsidiaries (together with the Company, the ''Group'') for the year ended 31 December 2016.

Principal activities and nature of operations of the Group
The principal activity of the Group is the holding of investment.

Review of current position, future developments and performance of the Group's business
The Group's development to date, financial results and position as presented in the consolidated financial statements are considered satisfactory.

Results and Dividends
The Group's results for the year are set out on page 6. The Board of Directors, following consideration of the availability of profits for distribution as well as the liquidity position of the Group, does not recommend the payment of a dividend and the net profit for the year is retained.

Share capital
There were no changes in the share capital of the Company during the year under review.

Board of Directors
The sole member of the Company's Board of Directors as at 31 December 2016 and at the date of this report is presented on page 1. The sole Director was a member of the Board of Directors throughout the year ended 31 December 2016.

In accordance with the Company's Articles of Association the sole Director presently member of the Board continues in office.

There were no significant changes in the remuneration of the Board of Directors.

Independent Auditors
The Independent Auditors, [name of audit firm], have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,

Maria Panayiotou
Secretary

8 August 2017

Independent Auditor's Report

To the Members of CENIAKO LTD GROUP

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of CENIAKO LTD GROUP (the "Company") and its subsidiaries (the "Group"), which are presented in pages 6 to 19 and comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2016, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the management report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's Report (continued)

To the Members of CENIAKO LTD GROUP

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, the management report, has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the consolidated financial statements.
- In our opinion, and in the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified material misstatements in the management report.

Independent Auditor's Report (continued)

To the Members of CENIAKO LTD GROUP

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Costas Miaoulis(FCCA)
Certified Public Accountant and Registered Auditor
for and on behalf of
Costas Miaoulis
Certified Public Accountants

Nicosia, 8 August 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

31 December 2016

	Note	**2016** **€**	2015 €
Net exchange profit/loss		**385,733**	(440,379)
Other operating income		**17,587**	-
Gross profit/(loss)		**403,320**	(440,379)
Administration expenses		**(28,363)**	(10,805)
Operating profit/(loss)		**374,957**	(451,184)
Finance costs	8	**(256)**	-
Net profit/(loss) for the year		**374,701**	(451,184)
Other comprehensive income		**-**	-
Total comprehensive income for the year		**374,701**	(451,184)
Profit/(loss) per share attributable to equity holders of the parent (€)	9	**374.70**	(451.18)

The notes on pages 10 to 19 form an integral part of these consolidated financial statements.

CENIAKO LTD GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December 2016

	Note	**2016** **€**	2015 €
ASSETS			
Non-current assets			
Property, plant and equipment	10	**-**	177
Investment properties	11	**9,038,763**	9,037,086
		9,038,763	9,037,263
Current assets			
Receivables	13	**9,987**	2,602
Other investments	14	**41**	33
Refundable taxes	20	**1,045**	840
Cash at bank and in hand	15	**777**	626
		11,850	4,101
Total assets		**9,050,613**	9,041,364
EQUITY AND LIABILITIES			
Equity			
Share capital	16	**1,000**	1,000
Other reserves		**7,880,582**	8,030,999
Accumulated losses		**(640,246)**	(818,949)
Total equity		**7,241,336**	7,213,050
Non-current liabilities			
Borrowings	17	**1,800,094**	1,817,716
		1,800,094	1,817,716
Current liabilities			
Trade and other payables	19	**9,183**	10,598
		9,183	10,598
Total liabilities		**1,809,277**	1,828,314
Total equity and liabilities		**9,050,613**	9,041,364

On 8 August 2017 the Board of Directors of CENIAKO LTD GROUP authorised these consolidated financial statements for issue.

.....
A.I.L. NOMINEE SERVICES LTD
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
31 December 2016

	Share capital €	Fair value reserve - land and buildings €	Accumula-ted losses €	Total €
Balance at 1 January 2015	**1,000**	**8,030,999**	**(367,765)**	**7,664,234**
Comprehensive income				
Net loss for the year	-	-	(451,184)	(451,184)
Balance at 31 December 2015/ 1 January 2016	**1,000**	**8,030,999**	**(818,949)**	**7,213,050**
Comprehensive income				
Net profit for the year	-	-	374,701	374,701
Transactions with owners				
Exchange difference	-	-	(195,998)	(195,998)
Total transactions with owners	-	-	(195,998)	(195,998)
Other movements				
Revaluation for the year	-	(150,417)	-	(150,417)
Total other movements	-	(150,417)	-	(150,417)
Balance at 31 December 2016	**1,000**	**7,880,582**	**(640,246)**	**7,241,336**

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 17% will be payable on such deemed dividends to the extent that the ultimate shareholders are both Cyprus tax resident and Cyprus domiciled. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

CENIAKO LTD GROUP

CONSOLIDATED CASH FLOW STATEMENT
31 December 2016

	Note	**2016** **€**	2015 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		**374,701**	(451,184)
Adjustments for:			
Depreciation of property, plant and equipment	10	**220**	81
Exchange difference arising on the translation and consolidation of foreign companies' financial statements		**(195,821)**	-
Fair value (gains)		**(150,417)**	-
Interest expense	8	**256**	-
		28,939	(451,103)
Changes in working capital:			
Increase in receivables		**(7,385)**	(2,602)
(Decrease)/increase in trade and other payables		**(1,415)**	10,598
Cash generated from/(used in) operations		**20,139**	(443,107)
Tax paid		**(205)**	(840)
Net cash generated from/(used in) operating activities		**19,934**	(443,947)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of property, plant and equipment	10	**(220)**	-
Payment for purchase of investment property	11	**(1,677)**	-
Payment for purchase of other investments	14	**(8)**	(33)
Net cash used in investing activities		**(1,905)**	(33)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowings		**(17,622)**	-
Proceeds from borrowings		**-**	1,817,716
Interest paid		**(256)**	-
Net cash (used in)/generated from financing activities		**(17,878)**	1,817,716
Net increase in cash and cash equivalents		**151**	1,373,736
Cash and cash equivalents at beginning of the year		**626**	(1,373,110)
Cash and cash equivalents at end of the year	15	**777**	626

The notes on pages 10 to 19 form an integral part of these consolidated financial statements.

1. Incorporation and principal activities

Country of incorporation

The Company CENIAKO LTD GROUP (the "Company") was incorporated in Cyprus on 24 July 2012as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Agion Omologiton, 15, Nicosia, 1080, Cyprus.

Principal activities

The principal activity of the Group is the holding of investment.

2. Significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented in these consolidated financial statements unless otherwise stated.

Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. These consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of land and buildings and investment property.

Adoption of new and revised IFRSs

During the current year the Group adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2016. This adoption did not have a material effect on the accounting policies of the Group.

At the date of approval of these consolidated financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the consolidated financial statements of the Group.

Basis of consolidation

The Company has subsidiary undertakings for which section 142(1)(b) of the Cyprus Companies Law Cap. 113 requires consolidated financial statements to be prepared and laid before the Company at the Annual General Meeting. The Group consolidated financial statements comprise the financial statements of the parent company CENIAKO LTD GROUP and the financial statements of the following subsidiary, WOODFORD EMPREENDIMENTOS IMOB. LTDA

The financial statements of all the Group companies are prepared using uniform accounting policies. All inter-company transactions and balances between Group companies have been eliminated during consolidation.

2. Significant accounting policies (continued)

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired undertaking at the date of acquisition. Goodwill on acquisition of subsidiaries is included in "intangible assets". Goodwill on acquisitions of associates is included in "Investments in associates". Goodwill on acquisitions of investments in joint ventures is included in "investments in joint ventures".

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an undertaking include the carrying amount of goodwill relating to the undertaking sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

Segmental reporting

The Group is organised by business segments and this is the primary format for segmental reporting. Each business segment provides products or services which are subject to risks and returns that are different from those of other business segments. The Group operates in Cyprus and Brazil. The holding company is situated in Cyprus and its only operation is the holding of shares in Brazilian subsidiary. The subsidiary's only operation is: Subsidiary is the owner of the land in Brazil. For these reasons operations are not analysed by geographical segment in much detail but only as stated in Note 5.

Revenue recognition

Revenues of the Group are recognized on an accrual basis.

Employee benefits

The Group and its employees contribute to the Government Social Insurance Fund based on employees' salaries. The Group's contributions are expensed as incurred and are included in staff costs. The Group has no legal or constructive obligations to pay further contributions if the scheme does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

Property, plant and equipment

Land and buildings are carried at fair value, based on valuations by external independent valuers, less subsequent depreciation for buildings. Revaluations are carried out with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. All other property, plant and equipment are stated at historical cost less depreciation.

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to other comprehensive income. Decreases that offset previous increases of the same asset are charged against that reserve; all other decreases are charged to profit or loss. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to profit or loss) and depreciation based on the asset's original cost is transferred from fair value reserves to retained earnings.

Depreciation is calculated on the straight-line method so as to write off the cost or revalued amount of each asset to its residual value, over its estimated useful life. The annual depreciation rates used are as follows:

	%
Furniture, fixtures and office equipment	20

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

2. Significant accounting policies (continued)

Property, plant and equipment (continued)

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. When revalued assets are sold, the amounts included in the fair value reserves are transferred to retained earnings.

Investment properties

Investment property, principally comprising of land is held for long-term rental yields and/or for capital appreciation and is not occupied by the Group. Investment property is carried at fair value, representing open market value determined annually by external valuers. Under IFRS 40 -'Investment property', which the Group adopted, changes in fair values are recorded in profit or loss and are included in other operating income. Previously the Group had recorded such fair value changes net of deferred income taxes in the fair value reserves in the shareholders' equity. The amount included in that reserve at the date of adopting IFRS 40 have been transferred to retained earnings.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the continued use of the asset. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Financial instruments

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash at bank.

2. Significant accounting policies (continued)

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statement of financial position.

Share capital

Ordinary shares are classified as equity.

3. Financial risk management

Financial risk factors
The Group is exposed to interest rate risk, credit risk, liquidity risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Group to manage these risks are discussed below:

3.1 Interest rate risk
Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets. The Group is exposed to interest rate risk in relation to its non-current borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

3.2 Credit risk
Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Group has no significant concentration of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables.

3. Financial risk management (continued)

3.2 Credit risk (continued)

	2016	2015
	€	€
	1,777	2,087

3.3 Liquidity risk
Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Group has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

3.4 Capital risk management
Capital includes equity shares and share premium, convertible preference shares and loan from parent company

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from last year.

4. Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Group's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Fair value of investment property**

  The fair value of investment property is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. The fair value of the investment property has been estimated based on the fair value of their individual assets.

- **Fair value of financial assets**

  The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. The fair value of the financial assets available for sale has been estimated based on the fair value of these individual assets.

5. Segmental analysis

2016	**Parent**	**Subsidiary**		**Total**
	€	**€**	**€**	**€**
Revenue	**19,567**	**383,753**	**-**	**403,320**
Profit before tax	**1,850**	**372,851**	**-**	**374,701**
Assets	**-**	**9,038,763**	**11,850**	**9,050,613**
Liabilities	**16,773**	**1,792,504**	**-**	**1,809,277**
Expenditure	**1,850**	**-**	**-**	**-**
Other Assets	**1,000**	**10,850**	**11,850**	**-**

2015	Parent	Subsidiary	Total
	€	€	€
Revenue	(1,850)	(438,529)	(440,379)
Profit before tax	(1,850)	(449,334)	(451,184)
Assets	1,000	9,040,364	9,041,364
Liabilities	14,923	1,813,391	1,828,314

6. Expenses by nature

	2016	2015
	€	€
Staff costs (Note 7)	**6,455**	4,515
Depreciation and amortisation expense	**220**	81
Auditors' remuneration	**1,500**	1,500
Other expenses	**20,188**	4,709
Total expenses	**28,363**	10,805

7. Staff costs

	2016	2015
	€	€
Salaries	**4,249**	3,069
Social security costs	**2,206**	1,446
	6,455	4,515

8. Finance costs

	2016	2015
	€	€
Interest expense	**256**	-
	256	-

9. Profit/(loss) per share attributable to equity holders of the parent

	2016	2015
Profit/(loss) attributable to shareholders (€)	**374,701**	(451,184)
Weighted average number of ordinary shares in issue during the year	**1,000**	1,000
Profit/(loss) per share attributable to equity holders of the parent (€)	**374.70**	(451.18)

10. Property, plant and equipment

	Motor vehicles	Furniture, fixtures and office equipment	Total
	€	€	€
Cost or valuation			
Balance at 1 January 2015	14,059	904	14,963
Balance at 31 December 2015/ 1 January 2016	**14,059**	**904**	**14,963**
Additions	-	220	220
Exchange differences	3,427	-	3,427
Balance at 31 December 2016	**17,486**	**1,124**	**18,610**
Depreciation			
Balance at 1 January 2015	14,059	727	14,786
Balance at 31 December 2015/ 1 January 2016	**14,059**	**727**	**14,786**
Charge for the year	-	220	220
Exchange differences	3,427	177	3,604
Balance at 31 December 2016	**17,486**	**1,124**	**18,610**
Net book amount			
Balance at 31 December 2016	**-**	**-**	**-**
Balance at 31 December 2015	**-**	**177**	**177**

Fair value hierarchy

The fair value of property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Group's property portfolio every 12 months.

The fair value measurement for the properties has been categorized as a Level 3 fair value based on the inputs to the valuation technique used.

11. Investment properties

	2016	2015
	€	€
Balance at 1 January	**9,037,086**	1,107,454
Additions	**1,677**	-
Revaluation	**-**	7,929,632
Balance at 31 December	**9,038,763**	9,037,086

Fair value hierarchy

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Group's property portfolio every 12 months.

12. Investments in subsidiaries

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	Holding %
Woodford Empreendimentos Imobiliarios LTDA	Brazil	Holding of Immovable Property	100

13. Receivables

	2016	2015
	€	€
Receivables from parent (Note 21.1)	**510**	510
Deposits and prepayments	**8,987**	1,141
Other receivables	**490**	951
	9,987	2,602

The fair values of receivables due within one year approximate to their carrying amounts as presented above.

The exposure of the Group to credit risk and impairment losses in relation to receivables is reported in note 3 of the consolidated financial statements.

14. Other investments

	2016	2015
	€	€
Balance at 1 January	**33**	-
Additions	**8**	33
Balance at 31 December	**41**	33

15. Cash at bank and in hand

Cash balances are analysed as follows

	2016	2015
	€	€
Cash at bank and in hand	**777**	626
	777	626

The exposure of the Group to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 3 of the consolidated financial statements.

16. Share capital

	2016 Number of shares	**2016 €**	2015 Number of shares	2015 €
Authorised				
Ordinary shares of €1 each	**1,000**	**1,000**	1,000	1,000
Issued and fully paid				
Balance at 1 January	**1,000**	**1,000**	1,000	1,000
Balance at 31 December	**1,000**	**1,000**	1,000	1,000

17. Borrowings

	2016 €	2015 €
Non-current borrowings		
Loans from ultimate shareholders (Note 21.2)	**1,800,094**	1,817,716

Maturity of non-current borrowings:

	2016 €	2015 €
Between two and five years	**1,800,094**	1,817,716

18. Deferred tax

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

The group does not made any deferred tax provision beacause the holding company is a pure investment company and any gain from its operation is not taxable according to the Cyprus tax legislation. The only subsidiary of the group owns a plot of land that the company has no any intentions to sell it in the near future and no any loss or gain is expected to be raise.

19. Trade and other payables

	2016 €	2015 €
Social insurance and other taxes	**183**	2,863
Accruals	**9,000**	7,500
Other creditors	**-**	235
	9,183	10,598

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

20. Refundable taxes

	2016 €	2015 €
Corporation tax	**(1,045)**	(840)
	(1,045)	(840)

21. Related party transactions

The following transactions were carried out with related parties:

21.1 Receivables from related parties

Name	Nature of transactions	**2016** **€**	2015 €
FIBERA HOLDING LTD	Finance	**510**	510
		510	510

21.2 Shareholders' current accounts - credit balances (Note 17)

	2016 **€**	2015 €
Shareholder	**1,800,094**	1,817,716
	1,800,094	1,817,716

The shareholders' current accounts are interest free, and have no specified repayment date.

22. Contingent liabilities

The Group had no contingent liabilities as at 31 December 2016.

23. Commitments

The Group had no capital or other commitments as at 31 December 2016.

24. Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the consolidated financial statements.

Independent auditor's report on pages 3 to 5

APPENDIX D
VALUATION OF CANAVIEIRAS LAND

TECHNICAL ADVICE OF MARKET EVALUATION

Evaluating Property: Farms: Fazenda Conjunto Tropical, Brinquinho, Meus Prazeres and Plenitude Divina.

Applicants: Craven House Capital, 776-778 Barking Road, London, E13 9PJ, through Mr. Mike Desmond.

Location: Canavieiras

Municipality: Canavieiras **State**: Bahia

Type of Property: Rural

Purpose of the evaluation: The purpose of this marketing assessment technical opinion is: Determine the Market Value of a rural property for marketing purposes.

Base date: 04/28/2017

* Translation of the Original Document called "PARECER TÉCNICO DE AVALIAÇÃO MERCADOLÓGICA" prepared and signed by ANDRÉ LUIZ SIQUEIRA DE ALMEIDA.

INDEX

1. Identification
2. Homogenization of Factors
3. Statistical Mathematical Treatment
4. Sanitation of Samples
4.1 Testing the Reduced Value Sample
4.2 Testing the Highest Value Sample
4.3 Conclusion
5. Sampling Distribution
6. Confidence Interval
7. Field of Will
8. Final Conclusion
9. General Comments
9.1. Graphics
10. Purpose
11. Evaluating Property
12. Context and location
13. Methodology Used
14. Agronomic Index
15. Inspection and Declarations
16. Characteristics and Status of the Evaluating Property
16.1. Name
16.2. Area
16.3. Location sketches
16.4. Internal road systems
16.5. Water Resources
16.6. Eletrifications
17. Regional Informations
17.1. Main Reference Urban Poles
17.2. Regional economic vocations
17.3. Infrastructure to support agricultural production
17.4. Climate
18. Characteristics of the Localization
19. Topography
20. Natural Resources

21.The city
22. Improvements
23. Technical analysis
24. Research
25. Comparative elements
26. Confidence interval
27. Sample sanitation
28. Documentation
29. Photo Attachments, Location Sketch and Map of Canavieiras
30. Conclusion
31. Curriculum of the Evaluator
32. Curriculum of the Evaluator

Illustrious Mr. Mike Desmond

André Luiz Siqueira de Almeida, Real Estate Broker with registration in CRECI of 9ª Region (Bahia) under no. 16940 and CNAI 014309, Managing Partner of Oeste Bahia Imóveis, CNPJ. 22,790,302 / 0001-43. CRECI J. 1813 domiciled at Rua Manoel Coelho, 136, Centro, Santa Maria da Vitória, BA, as Expert Real Estate Appraiser and **Jadson Jordão Ribeiro,** Agonomist Engineer, CREA-BA 1000656 hired by yourself, hereby presents you with this Technical Opinion of Market Assessment with 17 (seventeen) pages duly signed and 4 attachments.

Avalurb 4.0 - REPORT - COMPARATIVE MARKET DATA METHOD

1) IDENTIFICATION:

TYPE: Restricted Use Report

APPLICANT: Craven House Capital, Mr. Mike Desmond

CITY: Canavieiras

STATE: Bahia

2) HOMOGENIZATION OF THE FACTORS:

Being: V. Hom. (I) = V. Unt. (I) x F1 x F2 x ... x F (k)

AM	V.Ofert(R$)	A.Equiv.(ha)	V.Unt(R$	F1	F2	F3	F4	F5	V.hom.(R$/há)
1	1.000,000,00	199,00	5.025,13	0,90	0,95	0,94	0,89	1,00	3.594,44
2	70.000,000,00	701,00	99.857,35	0,95	1,00	1,00	1,04	1,00	98,659,06
3	1.100,000,00	260,00	4.230,77	0,95	0,85	0,92	0,92	1,00	2.891,60
4	3.500,000,00	50,00	70.000,00	1,00	0,85	0,95	0,74	1,00	41.828,50
5	7.700,000,00	700,00	11.000,00	1,00	1,00	1,00	1,04	1,00	11,440,00

F1: Access F2: Use F3: Circulation F4: Area F5: Location

3) STATISTICAL MATHEMATICAL TREATMENT:

Number of samples	(Unit):	5
Freedom degree.....	(Unit):	4
Lower value.....	(R$ / ha):	2,891.60
Highest value.....	(R$ / ha):	98,659.06
Sum of homogenized values	(R$ / ha):	158,413.59
Class range number	(Unit):	3

Range of class ..... (R$ / ha): 31,922.49

Total amplitude ..... (R$ / ha): 95,767.46

Arithmetic average ..... (R$ / ha): 31,682.72

Average..... (R$ / ha): 11,440.00

Mean deviation ..... (R$ / ha): 30.848.848826

Standard deviation..... (R$ / ha): 40.670,674233

Variance ..... (R$ / ha) ^: 1,654,103,742,527731

.....

4) SANITATION OF SAMPLES ("CRITERION OF CHAUVENET")

Critical D / S **("CHAUVENET Table") ..... = 1.65**

4.1 TESTING THE MOST REDUCED VALUE SAMPLE:

D / S calc. = (Average - Higher Value) / Standard Deviation

D / s calc. For the MINOR value ..... = 0.7079

4.2) TESTING FOR HIGHER VALUE SAMPLES:

D / S calc. = (Highest Value - Mean) / Standard Deviation

D / s calc. For THE LARGEST value ..... = 1.6468

4.3) CONCLUSION:

*** All samples are valid (D / S less <= D / S Critical and D / S Greater <= Critical D / S) ***

.....

5) SAMPLE DISTRIBUTION:

Coefficient of Variation (%) = (Standard / Mean Deviation) x 100

Coefficient of Variation (CV) ..... (%) = 128.37

6) CONFIDENCE INTERVAL:

Lower Limit (li) = Mean - (TC x Standard Deviation) / (No of Samples) ^ 0.50
Upper Limit (ls) = Mean - (TC x Standard Deviation) / (No of Samples) ^ 0.50

Adopted the Student "T" distribution, where:

Trust level	(%) =	80
TC (Student's Table)	(ud) =	1,533
Unit lower limit (Li)	**(R$ / ha) =**	**3,799.78**
Estimation of central tendency	(R$ / Ha) =	**31,682.72**
Unit upper limit (Ls)	**(R$ / ha) =**	**59,565.68**
Amplitude of the confidence interval around the Central Trend Est.	(%) =	88.01
Amplitude of the 80% confidence interval around the central tendency estimate	(%) =	88.01
Degree of reasoning (NBR 14653/2011	**(Unit) =**	**1**
Degree of precision (NBR 14653/2011	**(Unit) =**	**0**

7) FIELD OF ARBITRATION:

Unitary lower limit of arbitration (LAi)	**(R$ / ha) =**	28,514.45
Estimation of central tendency	(R$ / ha) =	31,682.72
Unitary upper limit of arbitration (LAs)	**(R$ / ha) =**	34,850.99

8) FINAL CONCLUSION:

Considering the analyzes made, it is concluded that the total value of the property, object of this report, at the present date is:

Total Value (R$) = Arbitrated Value (R$ / ha) x Area Equiv. From the evaluating property (ha)

Being

Equivalent Area of the evaluating property..... (ha) = 500,00

Arbitrated unit value ..... (R$ / Ha) = 31,687.00

TOTAL VALUE (R$) = 15,843,500.00

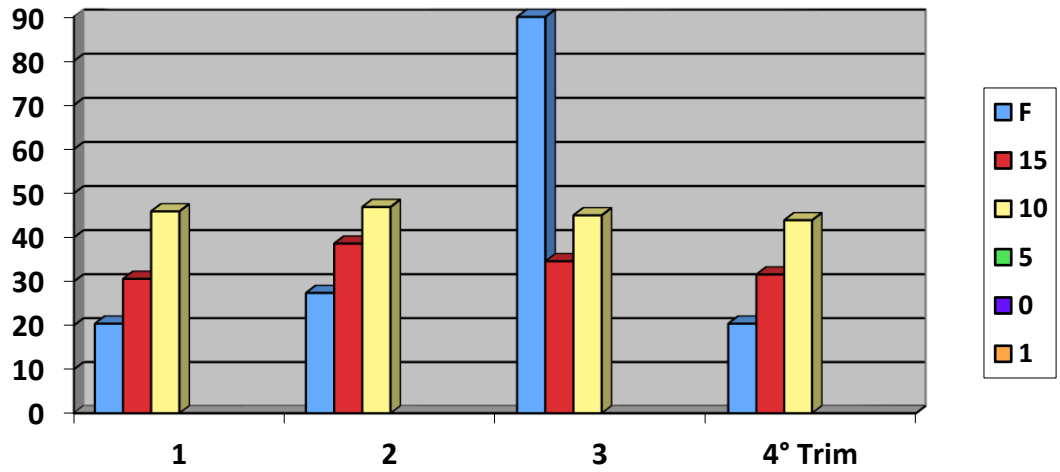
Fifteen million, eight hundred and forty-three thousand, five hundred reais

.....

9) GENERAL REMARKS:

The property is located on the seafront, with approximately 7.5 km of beaches, bathed by the Barra Velha River and with coconut and pasture plantation.

9.1) GRAPHICS:

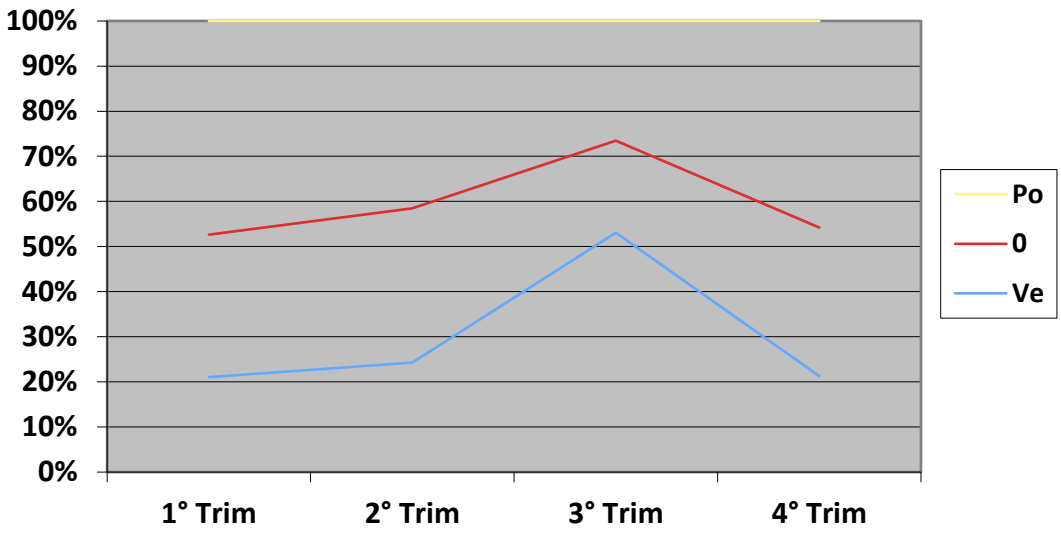


A) HISTOGRAM - (NUMBER OF CLASSES (C) X FREQUENCY (F)):

INTERVAL:

CLASS	From ---------- I To ----------		Frequency
1	2,891.60	34,814.08	3
2	34,814.08	66,737.57	1
3	66,736.57	98,659.06	1

B) OBSERVED PRICES (Po) x ESTIMATED VALUES (Ve): (R $ / ha)



Am	Po(R$/ha)	Ve(R$/ha)	Var.
1	5.025,13	3.594,44	0,72
2	99.857,35	98.659,06	0,99
3	4.230,77	2.891,60	0,68
4	70.000,00	41.828,50	0,60
5	11.000,00	11.440,00	1,04

10. Purpose

The purpose of this technical opinion is to determine the market value of the property by assessing it for marketing purposes. This opinion is in accordance with the provisions of art. Law no. 6,530, dated May 12, 1978 (DOU dated 05/15/1978), which regulates the profession of Real Estate Broker, and with the Resolutions of the Federal Council of Real Estate Brokers (COFECI) nº 957, dated May 2006 (DOU of 06/26/2006), and 1,066 of November 22, 2007 (DOU dated November 29, 2007), which provide for the competence of the Real Estate Broker to prepare a Technical Opinion on Market Assessment and regulate their form of elaboration.

11. Property Evaluating

Property Registration: 4,843
Registry Office (CNS): Canavieiras
Municipality / UF: Canavieiras, BA
Area (Local Geodetic System): 219.00 ha

Property Registration: 5,712
Registry Office (CNS): Canavieiras
Municipality / UF: Canavieiras, BA
Area (Local Geodetic System): 20.00 ha

Property Registration: 2,650
Registry Office (CNS): Canavieiras
Municipality / UF: Canavieiras, BA
Area (Local Geodetic System): 257.00 ha

Property Registration: Page 121, Book 061
Registry Office (CNS): Canavieiras
Municipality / UF: Canavieiras, BA
Area (Local Geodetic System): 4.00 ha

Total Area: 500.00 hectares

12. Context And Location

For ease of our work in the field, we use the existing coordinates provided from the property surveys. The above procedure allowed us to draw a sketch of the place on the Google Earth site.

The following is the plan, in the coordinate system, which guided us to the location of the Farm.

Departing from Canavieiras / BA, towards Ilhéus, take the BA-001 highway, traveling approximately 15 km, take the right and follow a dirt road for approximately 5 km until you reach the Barra Velha River. To get to the evaluating property, it is necessary to make a ferry crossing carried out by the municipal, privately, or city hall.

13. Methodology Used

In order to carry out the present work, we used the **Direct Comparative Market Data Method**, which allows the determination of the value taking into account the different trends and fluctuations in the Real Estate Market, normally different from the fluctuations and trends of other branches of the economy, being this the most recommended and used for the evaluation of real estate.

In this method, the determination of the value of the property evaluated results from the comparison of this with others of nature and similar intrinsic and extrinsic characteristics, from data surveyed in the market. The characteristics and attributes of the obtained data are weighted by normalized homogenization techniques.

14. Agronomic Index

The agronomic index is obtained through the correlation of the Soil Use Capacity with the classification of the situation and the feasibility of circulation of the evaluating property (table attached). The classes of land use capacity are obtained from the price curve, which represents the relative variation between the different classes of soils in the study region. (Table attached); the access classification and its feasibility during the year (table attached).

Groups	Usage Classes	Criterion	Value Scale (%)
A	I	Lands of crops without problems of conservation and fertility and requires maintenance fertilization, net income of rice cultivation	100
	II	Lands of crops, with small problems of conservation and fertility and requires simple practices (leveling), net income of rice	95

		cultivation	
	III	Lands of crops, with serious conservation and fertility problems and require complex practices (terracing), net income from rice cultivation	75
	IV	Lands of occasional crops (02 years) and pastures (03 years), without conservation problems, net crop income in 01 year associated with pasture in 04 years	55
B	V	Only pasture land with small conservation problems, net income from dairy farming	50
	VI	Only pasture land with small conservation problems, fertility requires simple practices, net income from dairy farming	40
	VII	Forest lands with serious conservation problems, fertility requires complex practices (access roads), net income from forestry	30
C	VIII	Lands of shelter of wildlife, without conservation problems, net income of eventual fish farm	20

Table 01 - Soil Use Capacity Classes

SCALE OF LAND VALUES ACCORDING TO THE SITUATION AND VIABILITY OF CIRCULATION				
SITUATION	**CIRCULATION**			
	TYPE OF ROAD	**IMPORTANCE OF DISTANCES**	**PRACTICE DURING THE YEAR**	**VALUE SCALE**
ASPHALT	Asphalted	Limited	Permanent	100.00%
VICINAL I	First class unpaved	Relative	Permanent	95.00%
VICINAL II	Unpaved	Significant	Permanent	90.00%
VICINAL III	Roads and easements	Routes and distances are equivalent	Without satisfactory conditions	80.00%
VICINAL IV	Closed Easements	Distances and classes if equivalent	Serious Problems in the Rainy Season	75.00%
VICINAL V	Easements crossed by streams without bridges		Serious problems even in the drought	70.00%
SOURCE: CAIRES (adapted)				

Table 02 - Situation and feasibility of movement

WEIGHTING FACTORS IN OBTAINING THE VALUE OF RURAL LANDS BY CLASS OF CAPACITY OF USE AND SITUATION									
SITUATION		**CLASS OF CAPACITY OF USE**							
		I	**II**	**III**	**IV**	**V**	**VI**	**VII**	**VIII**
		100%	95%	**75%**	**55%**	**50%**	**40%**	**30%**	**20%**
ASPHALT	100%	1	0.95	0.75	0.55	0.5	0.4	0.3	0.2
VICINAL I	95%	0.95	0.903	0.713	0.523	0.475	0.38	0.285	0.19
VICINAL II	90%	0.9	0.855	0.675	0.495	0.45	0.36	0.27	0.18

VICINAL III	80%	0.8	0.76	0.6	0.44	0.4	0.32	0.24	0.16
VICINAL IV	75%	0.75	0.713	0.563	0.413	0.375	0.3	0.225	0.15
VICINAL V	70%	0.7	0.665	0.525	0.385	0.35	0.28	0.21	0.14

Table 03 – Agronomic Index

15. Inspection and Declarations

The inspection of the evaluating property was carried out on 04/24/2017 to 04/27/2017. It is a rural property with a total area of 500.00 hectares. Accompanied by Mr. Martin, we were shown the property.

The neighborhood of the property evaluating has properties used for cattle ranching and agriculture, coconut plantation and shrimp breeding farms.

Currently the property is occupied by employees who take care of the farm. An on-site survey was carried out. The authors do not, in the present, nor contemplate in the future, interest in the evaluating property. The signatory has no personal inclination towards the matter involved in the opinion, nor does he have any advantage over it.

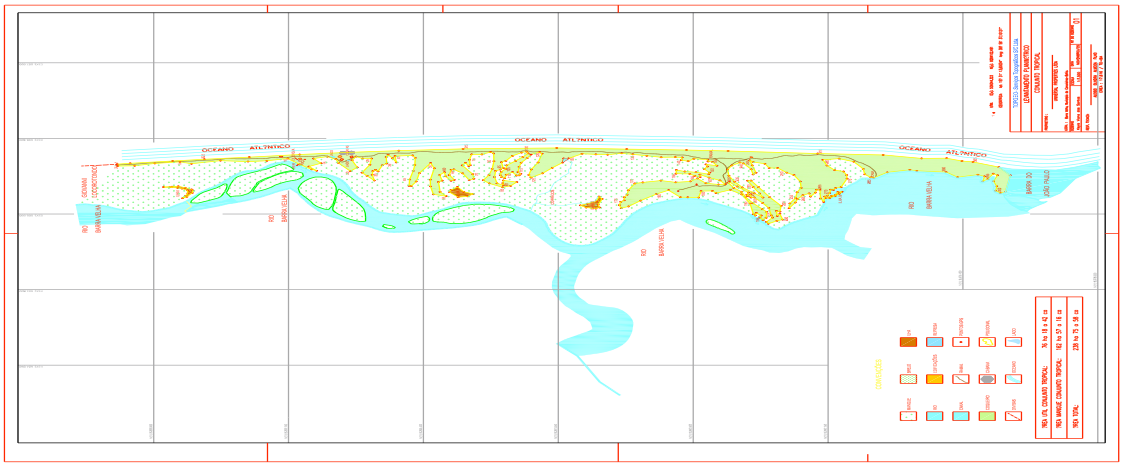
16. Characteristics of the Evaluating Property

16.1 Denomination: Tropical Set Farm, Toy, My Pleasures and Divine Fullness.

16.2 Area: 500 hectares

16.3 Location Sketch: From Canavieiras / BA, direction Ilhéus, take the BA-001 highway, traveling approximately 15 km, take the right and follow a dirt road for approximately 5 km until you reach the Barra Velha River. To get to the evaluating, it is necessary a ferry crossing carried out by the municipal or private city hall.







16.4 Internal road systems: The property evaluating has internal roads with good state of conservation during the year.

16.5 Water Resources: Barra Velha River and its tributaries, Atlantic Ocean.

16.6 Eletrificação: The property does not have electricity, but the network is not far from the electrification.

17. Regional Information

17.1 Main Reference Urban Poles:

Canavieiras -BA (32,331 inhabitants)
Una - BA (24,106 inhabitants)
Santa Luzia - BA (13,332 inhabitants)
Ilhéus - BA (184,231 inhabitants)

17.2 Regional economic vocations:

The region presents a homogeneous occupation, composed of rural properties in the same pattern of development, with activities such as cattle

raising, shrimp farms, coconut farms. With an extensive range of beaches which favors tourism.

17.3 Infrastructure supporting agricultural production:

Agricultural cooperatives, Agricultural labor, Tractor trade, machinery, Trade in supplies, Equipment trade, Storage of production.

17.4 Climate:

According to the classification of agricultural climatology of the Koeppen-Geider System, adapted for Brazil, the microclimate of the region of CANAVIEIRAS is classified as Tropical Humid climate, denominated "AF".

18. Characteristics of the Evaluating Property

The evaluated property is located in the Rural Zone of Canavieiras, State of Bahia, according to the Zoning Law of the Municipality.

19. Topography

Topography in its mostly flat and mechanizable, Yellow Red Latosol, Yellow Latosol, Spodosol Ferrocárrbico, Gálisol Salic, erosion (not verified) Depth with shallow solos.

20. Natural Resources

The natural resources for agricultural purposes are springs, water courses, natural pastures and forests. Such resources have no cost of production. It is very important the existence of springs, natural springs that do not require investments in wells or dams.

To survey the area in question, we adopt the simple sketch provided by the owner of the property, in which we describe by means of the deed, a topographic design determining the coordinates and currencies, which consists of approximately 7.5 km of beaches and part of the banks of the Barra Velha River And mangroves.

21. The City

Canavieiras is a Brazilian municipality in the State of Bahia. Its estimated population in 2013 was 33,570 inhabitants.

It is one of only four localities where a species of Atlantic Forest threatened of extinction, the *Buchenavia Hoehneana* can be found.

History

The municipality created with dismembered territory of Ilhéus, with the denomination of Imperial Village of Canavieiras, by Provincial Resolution of 13 of December of 1832. The headquarters, created with the patron of St. Bonaventure of Poxim of Canavieiras, by Alvará Régio, of 11 of April 1718, was elevated to the category of city by State Act, of May 25, 1891.

Portuguese in search of fertile land, in the first decade of the eighteenth century, settled in a place called Poxim. Expelled by the Indians who were there these Portuguese migrated to the mouth of the River Pardo where today is the headquarters of the Municipality.

In 1746 the economic history of the entire southern region of Bahia began to be changed in Canavieiras, when Antônio Dias Ribeiro planted the first cocoa seeds on the banks of the Pardo River at Cubículo Farm. With the various crises followed by the cocoa crop, with the "Broom-witch" as its apex, it began to pay more attention to tourism, especially since the 1980s.

Known also for the blue marlin fishery, a noble sport fishing known worldwide. Also one of the best known points for sport fishing of sea bass. Canavieiras has as its main food typical "head of sea bass", which curiously has nothing to do with this fish.

Canavieiras is also known as the mother church of the Assemblies of God in Bahia, because in the city was founded the first church of that denomination evangelical that is the largest one of Brazil.

From Canavieiras were derived the municipalities of Camacan, Santa Luzia, Mascot, Potiraguá, Itapebi, Pau Brasil, Arataca that was derived from Una, that also belonged to Canavieiras..

Characterization of the Municipality:

Zip code: 45860-000 **Area code:** 73 **Voltage:** 110V **Distance from the capital:** 559 km **Access roads:** BA 001 and BA 274 **Average temperature:** 25.0 ° C.

Bus Station: Av. Assis Gonçalves **Airport:** Av. Enelzita Matos / Neighborhood: Sócrates Rezende **Port:** Av. Felinto Melo **Post office:** Pç. 15 November **Banking Agencies:** Banco do Brasil, Bradesco and Caixa Econômica **Federal Parish:** São Boaventura (1718) - Diocese of Itabuna - Bahia Municipal **Public Library: Operation:** Monday to Friday, from 07:30 to 21:00. Collection: 9,822 Volumes.

Pedro Menezes Municipal Stadium: Capacity: 1,000 People **Canavieiras Sports Center:** (G.E.C.A.) Capacity: 700 People **Poliesportive Court:** Capacity: 100 People (C.E.O.B.). **Julia Thompson Sports Center:** Capacity: 400 People.

Beaches:

- Beach of the Coast
- Beach of Atalaia
- Beach of Patipe
- Praia Norte or Oiticica

Gross Domestic Product

- Gross added value of agriculture at current prices - 31,273 thousand reais
- Gross value added of the industry at current prices - 17,560 thousand reais
- Gross value added of services at current prices - 109,086 thousand reais
- Taxes on products net of subsidies at current prices - 6,667 thousand reais
- GDP at current prices - 164,588 thousand reais
- GDP per capita at current prices - 5,090.73 reais

References:

1. 1 2 «Territorial Division of Brazil». Territorial Division of Brazil and Territorial Limits. Brazilian Institute of Geography and Statistics (IBGE). July 1, 2008. Retrieved on October 11, 2008
2. IBGE (Oct. 10, 2002). 'Official territorial area'. Resolution of the IBGE Presidency of No. 5 (R.PR-5/02). Retrieved on December 5. 2010
3. "Population Census 2013". Population Census 2013. Brazilian Institute of Geography and Statistics (IBGE). July 01, 2013. Retrieved on November 03, 2013 Text "canavieiras;
4. ↑ «Ranking decreasing the HDI-M of the municipalities of Brazil». Atlas of Human Development. United Nations Development Program (UNDP). 2010. Accessed on August 23, 2013 Check date in: | accesodata = (help)
5. 1 2 http://www.ibge.gov.br/cidadesat/topwindow.htm?1 Missing or blank | title = (help)
6. ↑ IUCN Red List.

22. Improvements

The property has 2 wooden houses, and 3 working houses, in good condition, some needing renovation, the property has wire fences in its borders, where we can observe the cattle raising.

23. Technical Analysis

For the conference of the presented data, contact was made with Mr. Martin, responsible for presenting the farm, being requested the technical data for exact location of the Farm.

Based on these points is that we launch the coordinates, and all points confer with the location already located.

Thus, we have the correct design that we present below, in it being informed the coordinates and the confrontation.

Remember that there are small differences presented in relation to the Google plan, being acceptable due to the distortions of aerial photos.

24. Research

In order to determine the value, considering the nature of the property being evaluated and the availability of secure data, we opted for the use of the "Direct Comparative Method" that involves research on the real estate market, where we select offers and sales of the same segment and significantly similar In the region of the property.

11. Comparative Elements

The technical work involving inspection of the premises, contacts, data collection and calculations were carried out in April 2017.

The data obtained in the local real estate market were provided by real estate owners, brokers, real estate professionals and qualified professionals, therefore, are assumptions accepted as valid correct and provided in "good faith".

The property has been assessed on the assumption that it is free and clear of any liens, charges or encumbrances of any nature that may affect its value, assuming that the measures of the land and construction, as well as their respective titles are correct and recorded and that the documentation sent for consultation is the one in force.

No legal analysis of the property documentation, that is, specific investigations related to defects in securities, trespassing, mortgages, expropriations, overlapping currencies, use/fruits, subrogation of links, and others were not carried out for the scope of this evaluation.

Additional supporting information obtained during the on-site visit was also analyzed, which served as the basis for calculations and final appropriation of value.

Sample 01

Source: Viva Real

Phone. (71) 98881-1413 Edilson
FARM - AREA: 199.00 Hectares
CANAVIEIRAS - BA.

Fazenda of 199 hectares in Canavieiras / BA, near Comandatuba, 100 km from the Airport of Ilhéus. Land all flat, for diverse crops or creations. Planted in the grass braqueara (50 has), all surrounded, near asphalted highway. Georeferenced. It has a project to implement shrimp farming tanks with environmental license for shrimp farming (20 ha) and with the catchment channels already open (tide enters by gravity), all documented, with all the certificates and certificates.

Sample 2

Source: Viva Real
Phone. (71) 98151-6069
Farm - Area Of 701,00 Ha.

Fantastic coconut plantation located in Canavieiras, BA - has a total area of 701 ha, of these 171.6 ha of coconut trees and 106.4 ha, legal reserve. Average annual production of 7 million coconuts.

The farm has headquarters, sheds, machinery. Sale with all items present, with all machinery (tractors, backhoes, excavators, levelers, carts, grinders, crushers, washer, motorcycle saw.

Areas cultivated: It has a total of 34,840 coconut trees, of which 9,440 correspond to new areas to be planted: Some of these areas have already been cleared and barred these areas occupy approximately 175 hectares that can still be planted there is an estimate for these areas of 35,350 Plants

Note: all areas being planted are pasture. Pasture areas: These areas were intended for grazing, because they are areas of slope, because the maintenance of the coconut grove is all mechanized. Legal reserve, forest and regrowth or forest of secondary vegetation:

On the farm, there is no deforestation or cutting of trees. All areas of forests and springs are properly preserved.

Matrices: There are about 15,000 plants that can be used as matrices

Sample 03

Source: Viva Real
Tel. (71) 98869-2109
Fazenda Santa Emília - Area 260,00 Ha.

Fazenda of 260 hectares in Canavieiras / BA, 8 km from the village of Poxim, BA 001 - Una Canavieiras, 10 km from the entrance of Comandatuba. About 200 hectares of mechanized pasture with 21 divisions and the remaining in capoeira and forest reserve. It has a masonry house, 2 houses for workers, machine shed, corral covered with asbestos tiles, patio for the selection of cattle.

Currently with generator light, but with Project Light for All already approved. It also produces 1400 arrobas of piaçava annually and about 5,000 coconuts. Documentation in day with registered deed (CRI Canavieiras), Survey.

Sample 04

Source: Ari Alves
Phone.77 991357110
Farm - Area Of 50,00 Ha.

Fazenda de 50 Hectares in Canavieiras / BA Between Canavieiras and Una, has a labored house with living room, 2 bedrooms, kitchen, water and electricity and access to cell phone It has 03 Sheds with balcony for storage of production, tools, machines and fertilizers, Shed For 2,000 hens, all fenced with 60 cm base, measuring a task and a half. Nursery for breeding / feeding 2.00 guaiamus Planting of 1,000 Coconut trees, consorciado planting squash, pineapple and watermelon (3 hectares) 700 feet of Graviola fruit, (Consorciado plantei Passion fruit and papaya) More than 500 feet of palm, All surrounded by Eucalyptus The fences and division of some pastures. It would feed to 50 head of cattle direct. (Capileira de cana and Napier) Prey for the creation of Tilápia / other fish own source Area for planting of Banana of the Earth and Cane, cassava and rearing of bees. (20 feet) Fruit-Bread, Fig, Abiu, Nuts, Nutmeg, Cashew, Acerola, Pear, Pear, Orange, Pear, Lemon Orange, Lemon Juice, Lemon Mirim, Lemon Tahiti, Tangerine, Guava , Banana, Aipim, Jabuticaba, Sapoti, Clove, Cinnamon, Pepper Kingdom, Jambo, Eugenia, Jenipapo, Pineapple, Fruit of the Earl, Cashew, Grape, Papaya, Mixed Peppers (300 Feet) Transportation at the door.

Sample 05

Source: Ari Alves
Tel.77 991357110
Farm - Area Of 700,00 Ha.

Lands with 60,000 feet of cocoa in great location. Privileged and traditional area of the Cocoa Region. Fertile soil, abundant water and good prospects of minerals. Mata virgin, cacao plantation, pasture.

Br 101, KM 605 - BA, bordering and Federal Highway for 1.4km.
Located in the traditional area of the Cacao region, in Mascote. Near the city of Camacan / BA, and the Rio Pardo.

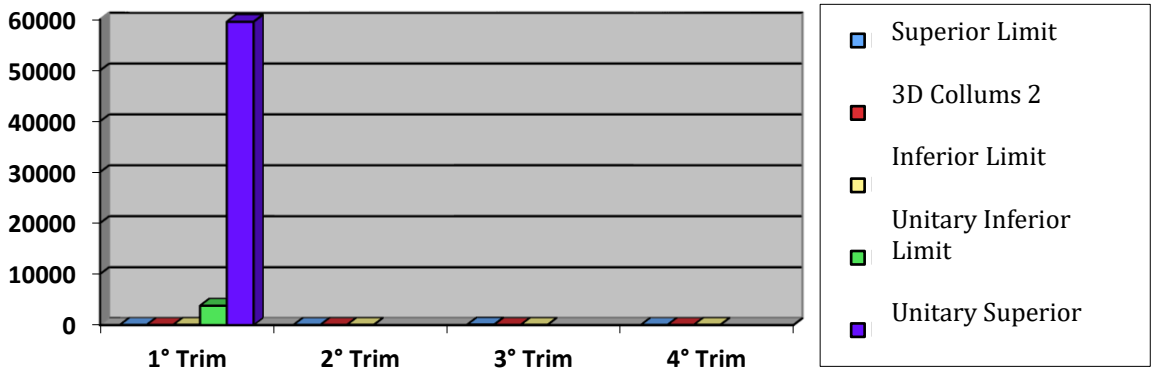
100 km from Itabuna and Ilhéus (port city); 90 km from Eunápolis; 140 km from Porto Seguro; 90 km from Una / Canavieiras (where the Transamérica Comandatuba Hotel is located - tourist complex).

Barn with masonry facilities (warehouses, greenhouses and workers' homes), cocoa drying barges, electric energy and cellular and internet signal; Water at will (streams, water springs).
60,000 (original), good, fairly new cacao trees with beautiful foliage. There is no cocoa cloned.

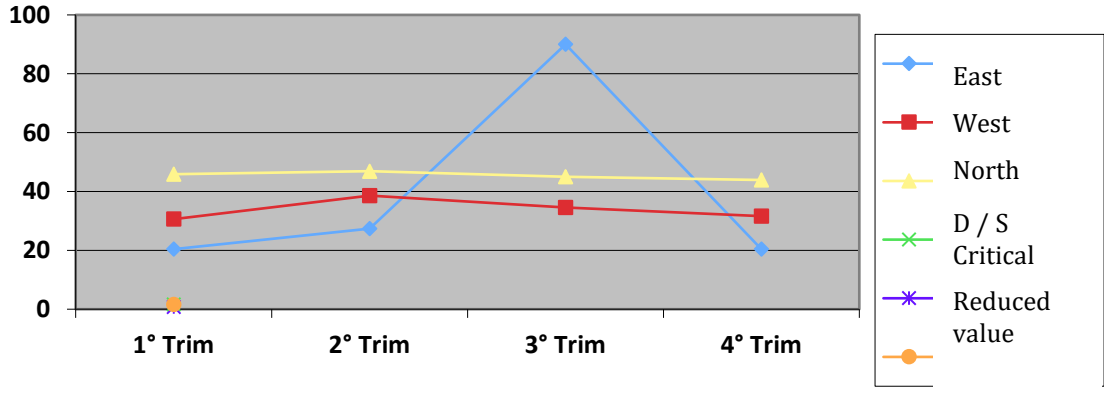
It is noteworthy that areas with cacao are being recovered / restored;
It also has a good virgin forest area;

Also, areas where, in addition to cocoa, coffee, açaí, coconut, pine, etc. can be grown.

26. Confidence Interval



27. Sanitation of Samples



28. Documentation

No specific investigations were carried out as regards titles, documents, fiscal regularities, invasions, mortgages, areas of permanent preservation with barring of exploitation, mineral deposits, vegetation cover, currency overlays

and compliance, legal to the scope of the present study, being the value based on the average real estate value of the region.

All measurements and calculations of the areas were taken from the documentation and plants provided by the applicant, and no conference measurements were taken.

29. Photographic Attachment, Sketch of Location and Map of Canavieiras

30. Conclusion

Based on the research of properties of nature and similar intrinsic and extrinsic characteristics, using the **Direct Comparative Method of Market Data**, weighting the characteristics and attributes of the data obtained through normalized homogenization techniques that allow the determination of the value taking into consideration The different trends and fluctuations in the Real Estate Market, which are normally different from the fluctuations and trends of other branches of the economy, it is concluded that the **Market Value of the unprotected property object of this Technical Opinion of Market Analysis is R$ 15,843,500.00 (Fifteen million, eight hundred and forty-three thousand, five hundred reais).**

Santa Maria da Vitória / BA, April 30, 2017.

André Luiz Siqueira de Almeida

Expert Assessor

CNAI 014309 - 9ª Region (Bahia)

Jadson Jordão Ribeiro

Agronomist Engineer

CREA-BA 1000656

31. EVALUATOR'S CURRICULUM

• **Name:** André Luiz Siqueira de Almeida
• **Qualification:** Real Estate Broker
• **CRECI:** 16940 - 9ª Region (Bahia)
• **Professional Training:** Bachelor in Law, Technical Accountant.
• **Professional Experience:** Partner Owner of the West Bahia Real Estate, Acting in the Region of Santa Maria da Vitória as Expert Evaluator of Rural and Urban Real Estate.
• **Included in the online system to compose the database of the Program of Support to the Jurisdictional Organs in the Execution of Judicial Expertise.**
• **Address:** Rua Manoel Coelho, 136, Centro, House, Santa Maria da Vitória, BA
• **Telephone:** 7734831615 77 991069000
• **E-mail:** andre@oestebahiaimoveis.com.br

32. EVALUATOR'S CURRICULUM

Name: Jadson Jordão Ribeiro
Phone: (77) 992007318, 997017455, email: jadson_ribeiro@yahoo.com.br

Academic graduation / title

2015-2016 Graduation in Biology - Faculty of Sciences of Bahia - FACIBA (in progress).

2013 - 2015 Master in Plant Production.
Federal University of Espírito Santo, UFES, Vitoria, Brazil
Title: NITROGEN, CARBON AND AGGREGATION OF SOIL UNDER SYSTEMS OF USE IN THE TERRITORY OF CAPARAÓ- ES. Year of production: 2015
Advisor: Eduardo de Sá Mendonça
Co-advisor: Felipe Vaz Andrade
Scholarship holder: Fundação de Amparo à Pesquisa do Espírito Santo

2006 - 2012 Graduation in Agronomic Engineering.
University of the State of Bahia, UNEB, Salvador, Brazil
Title: BIOMETRIC STUDY OF THE PORN-ENXERTO LIMON CRAVO (Citrus limonia Osbeck cv Carnation), SUBMITTED TO DIFFERENT DOSES OF PHOSPHORUS

Complementary Graduation

2007 University Extension in University Extension in Animal Production.
Center for Study and Research in Animal Production, NEPPA, Brazil

2008 – 2008 University Extension in Elaboration of Agricultural and Livestock Projects. (Hours: 12h).
Junior Enterprise of Agronomic Engineering of UNEB, Campus IX. EJEA, Brazil

Professional performance

1 Commercial Technical Consultant, Timac Agro Brazil.
Period: September 2015 to April 2016.

2 Professor of Chemistry and Biology at Rolando Laranjeiras College, Santa Maria da Vitória - Ba.
3 Trainee agricultural engineer Grupo Mizote, productive process of soybean and cotton.
Period: June 2012 to December 2013.
Period: February to September 2015.
4 Petrobras / Neppa internship in animal nutrition research development.
Period: July 2010 to July 2011.
5 Monitor / time community of the course of Agronomy of the Pronera (National Program of Education in Agrarian Reform) / Uneb / Incra.
Period: June 2008 to July 2010.
6 Professor of Biology, Pre-Vestibular Course of the University for All Program - UNEB.
Period: July 2008 to December 2011.
7 Director of the Junior Enterprise of Agronomic Engineering of the State University of Bahia Campus-IX, Barreiras-Ba.
Period: March 2008 to October 2010.

Annex: Certificates

APPENDIX E
VALUATION OF CARAVELAS LAND

TECHNICAL ASSESSMENT REPORT
OF RURAL PROPERTY

DEPENDING ON TECHNICAL STANDARDS
ABNT 14.653-3

APPLICANT: WOODFORD EMPREENDIMENTOS IMOBILIÁRIOS LTDA
PROPERTY: FAZENDA AVAÍ
VALUE OF THE EVALUATION: R$ 11.725.000,00 (ELEVEN MILLIONS SEVEN HUNDRED AND TWENTY FIVE THOUSAND REAIS)
LOCATION: CARAVELAS – BA
TECHNICAL RESPONSIBLE: CELSO FREDERICO DE MELLO PESSANHA – AGRONOMIC ENGINEER – CREA 17.942/D
DATA BASE: 01/12/2016

* Translation of the Original Document called "LAUDO TECNICO DE AVALIAÇÃO DE IMÓVEL RURAL" prepared and signed by CELSO FREDERICO DE MELLO PESSANHA.

CONSOLIDATED RESULTS OF THE EVALUATION

After market research and data collection of 25 sales and offers of rural properties located in the extreme south of Bahia, we performed an evaluation using the technical methods of inferential statistics model ABNT 14.653.3 (Brazilian Association of Technical Standards). Below is a consolidated result of the evaluation of the properties and their values:

PROPERTY	AREA (HA)	PRICE (R$)
Fazenda Avaí	469.00	11,725,000.00
Estancia Loureiro and João Pereira	682.32	8,187,840.00
Fazenda Sossego, Fazenda Alegria, Fazenda Pedra Azul, Fazenda Lagoa Bonita and Fazenda Nova Brasilia	815.01	9,780,120.00
Sitio Canta Galo	4.13	351,050.00
Sitio Solar dos Ventos	2.24	940,800.00
Total value of the Assessmentss		**30,984,810.00**

Teixeira de Freitas – BA, December 01, 2016.

_____Signed on the Original_____

Celso Frederico de Mello Pessanha

Agronomist Engineer/Technical Responsible

CREA: 17.942/D

INDEX

1.0 GOAL....3
2.0 PURPOSE....3
3.0 DATE OF INSPECTION....3
4.0 CHARACTERISTICS OF THE OWNER....3
4.1 Name....4
4.2 CPF/CNPJ....4
4.3 Mailing Address....4
5.0 CHARACTERISTICS OF THE PROPERTY....4
5.1 Denomination....4
5.2 Area....4
5.3 Boundaries and confrontations....4
5.4 Location Sketch....4
5.5 Internal road system....4
5.6 Water resources....4
5.7 Electricity....4
5.8 Soil....4
5.9 Geographical coordinates....5
6.0 GENERAL INFORMATION....5
6.1 Main municipalities....5
6.2 Regional economic vocation....5
6.3 Host city/polo....5
6.3.1 Area....5
6.3.2 Population....5
6.3.3 Municipal human development index (IDHM)....5
6.4 Aerial view of the property....6
7.0 STATISTICAL CALCULATIONS....6
7.1 Rationale grade....6
7.2 Degree of accuracy....8
7.3 Arbitral value....8
7.4 Description of variables....9
8.0 CONCLUSION....20
ATTACHMENTS....21
ANNEX I – Classification System for Land Use Capacity....22
ANNEX II – Classification of lands according to the Class of Serve (Norton)....23
Data Collection....24
REFERENCE....25
PHOTOS....26
TITTLE DEEDS/CERTIFICATES....28

1.0 – GOAL

The present study aims to evaluate the rural property denominated Fazenda Avaí, located in the city of Caravelas, state of Bahia, obeying and applying to the criteria and methodologies set forth in the Brazilian Association of Technical Standards - ABNT, model NBR 14.653-3.
In carrying out the activity, we use data and information extracted by the property manager, real estate agents of the municipality of Caravelas-BA and information obtained from third parties in market research where we consider suitable.
For the evaluation of this property, we use the data contained in the Public Deeds and Chartered Certificates presented by the proponent and attached to this document.

2.0 – PURPOSE

The purpose of this evaluation is to measure the value of the property through inferential statistics.

3.0 – DATE OF INSPECTION: November 26, 2016.

OBS:
Although the survey is dated November 26, 2016, the evaluation was performed on December 1, 2016, in compliance with the provisions of Law 9,393 / 96.

4.0 – CHARACTERISTICS OF THE OWNER

4.1 – Name: WOODFORD EMPREENDIMENTOS IMOBILIÁRIOS LTDA.

4.2 – CNPJ: 07.572.833/0001-76.

4.3 – Mailing address: Av. Ministro Adalício Nogueira, nº 1355, neighborhood Tancredo Neves – Caravelas-BA.

5.0 – CHARACTERISTICS OF THE PROPERTY

5.1 – Name: Fazenda Avaí.

5.2 – Area: 469.00 hectares.

5.3 – Boundaries and confrontations: Is limited with Iemanjá Beach / Atlantic Ocean, Marcia Maria Pereira, Geny Soares, Heirs of Amélio Nunes, Domingos dos Santos Neto and Wallace Alvin.

5.4 – Location Sketch: Leaving Caravelas passing by Barra and following to Iemanjá beach Km 19.

5.5 – Internal road system: The property has internal roads with good state of conservation throughout the year.

5.6 – Water resources: The property has a semi artesian well that meets the needs of the enterprise.

5.7 – Electricity: The property has no electricity.

5.8 – Soil: Flat topography, low apparent fertility, with vocation for tourism development. Class IV soils, arable land only occasionally or to a limited extent

with serious conservation problems; Obeying the System of Classification of Capacity of Use of the Earth - annex I.

5.9 – Geographical Coordinates:

Headquarter Point:

S: -17.712830º WO: -39.172569º

ou 24 k 481702.00 m E/ 8041577.00 m S

6.0 - GENERAL INFORMATION

6.1 – Main neighbor municipalities: The headquarter municipality, Caravelas, is bordered by the following municipalities: Alcobaça, Teixeira de Freitas, Medeiros Neto, Lajedão, Ibirapuã and Nova Viçosa.

6.2 – Regional economic vocation: The main activity of the extreme south of Bahia has always been cattle raising, agriculture and tourism, having as reference the large range of beaches since the discovery of Brazil.

The city of Caravelas was one of the first cities to have a port and receive slaves from Africa. However, due to the fact that the soil presents good topography, good fertility, good annual precipitation and with a river basin containing several streams and rivers, the agriculture currently has important economic strength, where we find pulp companies investing heavily in the eucalyptus crop for cellulose production, Large areas of coffee plantation and other crops such as black pepper, cacao, watermelon, papaya, etc ... that generate jobs and income for municipalities.

6.3 – Principal City: Caravelas – BA

6.3.1 – Area: 2,396,608 km2.

6.3.2 – Population: 22,646 residents.

6.3.3 - Municipal human development index (IDHM): 0.616.

6.4 – Aerial view of the property:



7.0 – STATISTICAL CALCULATIONS

The evaluation presented for the Fazenda Avaí property located in the city of Caravelas - BA was performed using the statistical method inferential, using data sales of reliable properties and seven variables.
We used the TS - Sisreg program of the company Tecsys Engenharia to assist in the statistical calculations used to be presented in this evaluation.

7.1 - Degree of Rationale

Score for classification purposes as to the degree of reasoning..

Item	Specifications of rural property appraisals	For the determination of the score, the horizontal values are not cumulative.					
		Condition	pt	Condition	pt	Condição	pt
01	Number of market data, effectively used	≥ 3(K+1) and at least 5	18	≥ 5	09	- - -	-
02	Quality of the data collected on the market of the same exploration according to 5.1.2	All	15	Majority	07	Minority or absence	0
03	Review of market data by assessing engineer	All	10	Majority	06	Minority or absence	0

04	Criteria adopted for evaluating construction facilities	Reprint cost per specific worksheet	05	Reprint cost per notebook price	03	As a variable according to Annex A	3
05	Criteria adopted to evaluate plant production	According to 10.3	05	By notebook price	03	As a variable according to Annex A	3
06	Presentation of report, according to section 11	Complete	16	Simplified	01		
07	Use of direct comparative method of market data	Scientific treatment according to 7.7.3 and Annex A	15	Treatments by factors, according to 7.7.2 and Annex B	12	Other treatments	2
08	Identification of sample data	Photography	02				
		Geodesic or geographic coordinates	02	Location map or sketch map	01	- - -	.
09	Documentation of the evaluating, allowing its identification and location	Photography	04				
		Geodesic or geographic coordinates	04	Location sketch	02	- - -	-
10	Documentation of the property assessing submitted by the contractor refers to	Updated domain certificate	02				
		Planimetric surveying according to the norms	02	Topographic planimetric surveying	02	- - -	-

Summing of data used in the property valuation process

Item	Specifications of rural property appraisals	Condition	Points
01	Number of market data actually used	11	18
02	Quality of the data collected on the market of the same exploration according to 5.1.2	All	15
03	Review of market data by assessing engineer	-	-
04	Criteria used to evaluate buildings and facilities	As a variable according to Annex A	03
05	Criteria adopted to evaluate plant production	-	-
06	Presentation of report, according to section 11	Simplified	01
07	Use of direct comparative method of market data	Scientific treatment according to 7.7.3 Annex A	15
08	Identification of sample data	-	-
09	Documentation of the evaluating, allowing its identification and location.	Photographs and coord. Geographical	04
10	Documentation of the property assessing submitted by the contractor refers to	Certificate of ownership	02
		TOTAL SCORE	**58**

Classification of the appraisal report on the rationale

	DEGREE		
	I	II	III
Maximum Limit	12	26	71
Minimum Limit	35	70	100

For the presented analysis of the data it was verified with **DEGREE OF FOUNDATION II**, with 62 points, with only a need to check the market sample data, a criterion adopted to evaluate buildings, installations and vegetal productions and photography, and geographic coordinates of market sample data.

7.2 – DEGREE OF ACCURACY

Degree of accuracy of the estimate of value in case of using the direct comparative method of market data			
DESCRIPTION	**DEGREE**		
Amplitude of the confidence interval of 80% around the midpoint value of the estimate	Σ30%	30%-50%	>50%
Note: Observe subsection 9.1 to 9.3			

Regarding the Degree of Accuracy, we obtained 27.51% of amplitude, over a confidence interval of 80%, classifying the evaluation report in DEGREE III.

7.3 – ARBITRAL VALUE

FIELD OF ARBITRY (R$)	
Minimum Value	18,869.81
Maximum Value	25,529.75
Arbitrated Value	22,199.78

After calculations, we used the maximum amount of R$ 25,529.75 (twenty-five thousand, five hundred and twenty-nine reais and seventy-five cents) per hectare, however, we rounded to R$ 25,000.00 (twenty-five thousand reais) per hectare, because we find ourselves using the prices practiced by the market.

7.4 – DESCRIPTION OF THE VARIABLES

There were five variables, one dependent and two independent, being:

- **VARIABLE DEPENDENT:**
Price - The values given to the properties in R$ per hectare.

- INDEPENDENT VARIABLE:
Area - Refers to the total area of real estate surveyed in hectares;

Improvements - These are the constructs and facilities found in the properties used as modeling data. Thus, we use the following references:
1 - when there are no improvements;
2 - when the found improvement is simple (house, corral or energy);
3 - when the property has all the necessary improvements to the exploitation of the proposed activity.

Asphalt Distance - Refers to the distance from the rural property to the asphalt road.

Distance from the municipality (km) - Represents the distance from the property to the host city;

Attractive Pole - It is the proximity that the evaluated rural property has in relation to a characteristic point that values or devalues the property.

Energy - It takes into account whether or not the property has electric power and its potential.

Basic Statistics	
Number of sample elements	24
Number of dependent variables	01
Degree of freedom number	17
Standard deviation of regression	0.19207

Additional information:

- Number of variables: 12
- Number of considered variables: 7
- Number of data: 25
- Number of considered data: 24

Statistical Results::

Linear

- Correlation coefficient : 0,895855
- Determination Coefficient : 0,802556
- Adjusted Determination Coefficient : 0,732870
- Fisher-Snedecor: 11,52
- Significance: 0,01

Not Linear

- Coefficient of determination : 0,881939

Normality of waste

- 70% of waste between -1 and +1 s
- 95% of the residues between -1,64 e +1,64 s
- 100% of the residues between -1,96 e +1,96 s

Model Outliers: 0

Equation

Regressors	Equation	T-Observed	Significance	Nonlinear Growth
Area (ha)	1/x	4.61	0.02	-1.60%
Improvements	x	2.88	1.05	3.56%
Distance from Asphalt (km)	x	-1.18	25.62	-2.05%
Distance from the Municipality (km)	x	3.19	0.54	8.49%
Attractive Pole (km)	x	-3.39	0.35	-7.62%
Electricity	x	-1.55	13.96	-2.09%
Unit price (R$/ha)	In(y)	-	-	-

Moda:

Unit price (R$/ha) = 14670.657 *e^(5.6770062 * 1/Area (ha)) *e^ (0.17483304 *Improvements) *e^(-0.0068911033 *Distance from the Asphalt (km)) *e^(0.013604723 * Distance from the municipality (km)) *e^(-0.019390009 * Attractive Pole (km)) *e^(-0.10540106 *Electricity)

Correlation between variables	Isolated	Partial
Area (ha)		
• Improvements	-27	39
• Distance from the asphalt (km)	13	35
• Distance from the Municipality (km)	10	32
• Attractive Pole (km)	-10	30
• Electricity	-41	5
• Unit Price (R$/ha)	68	75
Improvements		
• Distance from the asphalt (km)	-14	01
• Distance from the Municipality (km)	0	36
• Attractive Pole (km)	07	47
• Electricity	66	70
• Unit Price (R$/ha)	08	57
Distance from the Asphalt (km)		
• Distance from the Municipality (km)	47	12
• Attractive Pole (km)	59	17
• Electricity	-10	02
• Unit Price (R$/ha)	-27	27
Distance from the Municipality (km)		
• Attractive Pole (km)	79	84
• Electricity	-10	21
• Unit Price (R$/ha)	03	61
Attractive Pole (km)		
• Electricity	-02	31
• Unit Price (R$/ha)	-36	63
Electricity		
• Unit Price (R$/ha)	-23	35

Address: Fazenda Avaí
Municipality: Caravelas-BA

1. SCALES ADOPTED IN THE ESTIMATE

Characteristics	Adopted Scale	Rationale for the Adopted Scale	Extp. (%)	Minimum Sample	Maximum Sample
Area (ha)	469.00			7.00	1,000.00
Improvements	2.00			1.00	3.00
Distance from the asphalt (km)	1.00			0.00	30.00
Distance from the Municipality (km)	20.00			0.10	60.00
Attractive Pole (km)	0.10			0.10	41.00
Electricity	2.00			1.00	3.00
Unit Price (R$/ha)	**22,199.78**			14,000.00	71,428.57

2. INTERVALS OF VALUES FOR ESTIMATION

	Minimum Value	Estimated Value	Maximum Value	Minimum Deviation	Maximum Deviation	Total Deviation
Trust (80%)	41.27	22,199.78	54.29	-12.81%	14.70%	27.51%
Prediction (80%)	35.40	22,199.78	63.29	-25.21%	33.70%	58.91%
Arbitrary Field	40.23	22,199.78	54.43	-15.00%	15.00%	30.00%

3. INTERVALS AND VALUES FOR DECISION

	Minimum (R$)	Estimative (R$)	Maximum (R$)
Trust (80%)	19,355.21	22,199.78	25,462.39
Prediction (80%)	16,603.95	22,199.78	29,681.50
Arbitrary Field	18,869.81	22,199.78	25,529.75

4. ARBITRATED UNIT VALUE 22,199.78

Rationale: After calculations, we used the maximum amount of R$ 25,529.75 (twenty-five thousand, five hundred twenty-nine reais and seventy-five cents) per hectare, however, we rounded it to R$ 25,000.00 (twenty-five thousand reais) per hectare, because we find according within the market prices.

5. EVALUATION VALUE

R$ 11,725,000.00 (eleven million, seven hundred and twenty-five thousand reais).

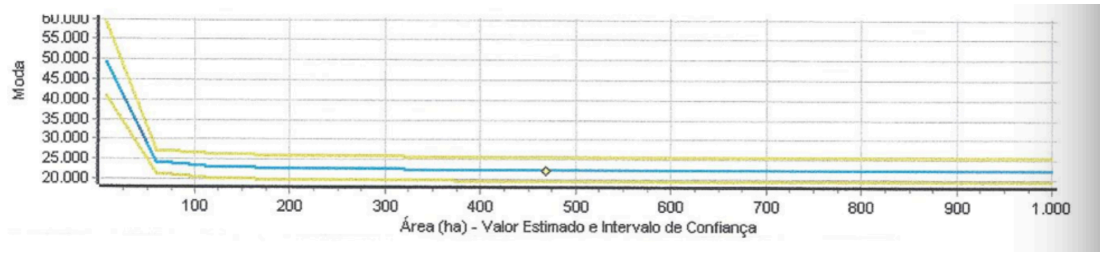
6. ADMISSIBLE INTERVAL FOR MARKET AVERAGE

Minimum(R$):	19,355.21
Arbitrated (R$):	**11,725,000.00**
Maximum (R$):	25,462.39

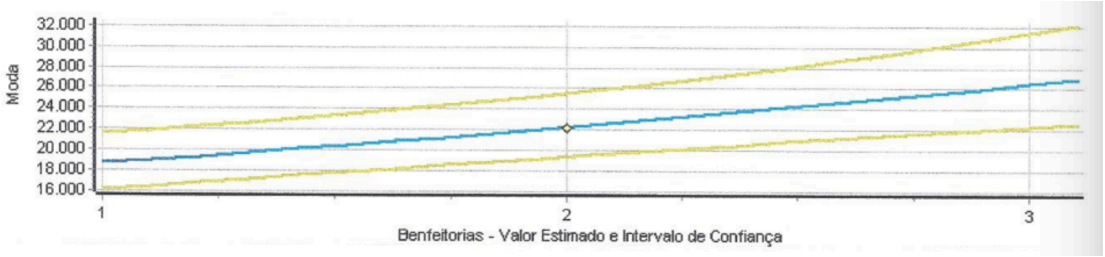
7. CLASSIFICATION AS TO PRECISION

Amplitude of the confidence interval for 80% reliability: 27.51%.
Classification for the estimation: Degree III of Precision.

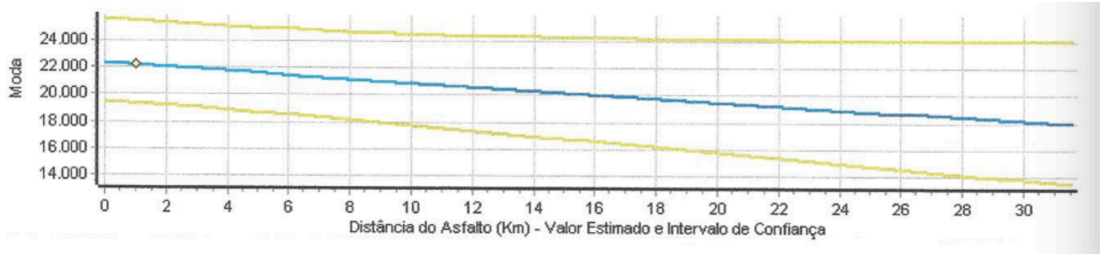
8. BEHAVIOR OF THE MODEL AT THE ESTIMATION POINT



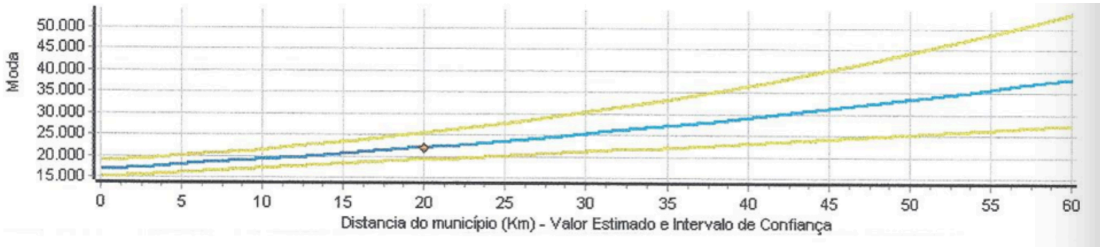
Area (ha) – Estimated value and Confidence Interval



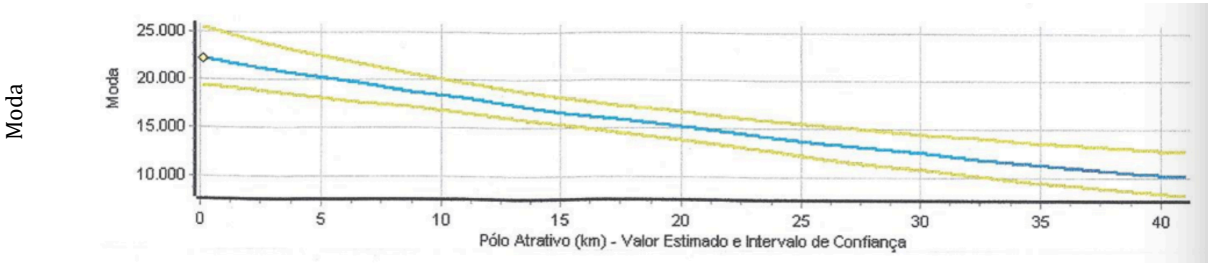
Improvements – Estimated value and Confidence Interval



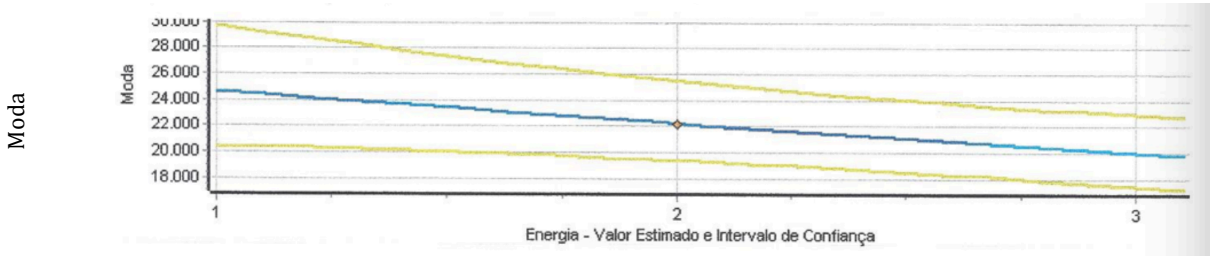
Distance from the asphalt (km) – Estimated value and Confidence Interval



Distance from the Municipality (km) – Estimated value and Confidence Interval

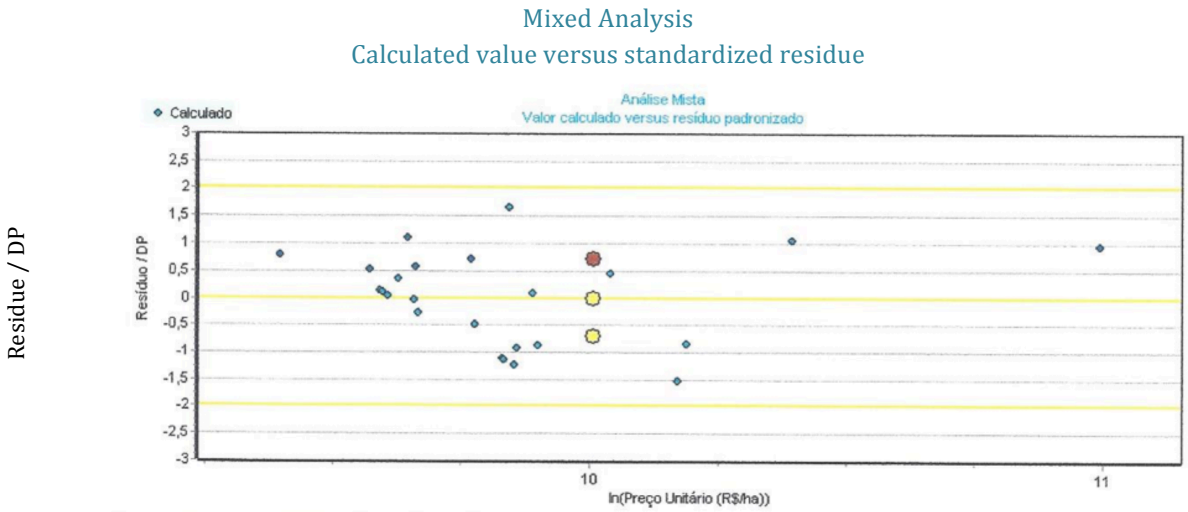


Attractive Pole (km) – Estimated value and Confidence Interval



Electricity – Estimated value and Confidence Interval

9. ESTIMATED VALUE FOR THE PROPERTY IN THE CONTEXT OF THE SAMPLE



In (Unit Price (R$/ha))

SAMPLE CHARACTERISTICS

DATA

Total Sample:	24
Used:	24
Outlier:	0

VARIABLES

Total:	7
Used:	7
Freedom Degree:	17

SAMPLE CHARACTERISTICS

COEFFICIENTS

Correlation:	0.89585
Determination:	0.80256
Adjusted:	0.73287

VARIABLES

Total:	3.17648
Residual:	0.62718
Standard Deviation:	0.19207

F-SNEDECOR

F-Calculated:	11.51673
Significance:	<0.01000

D-WATSON

D-Calculated:	1.98342
Test Result:	Non-self-regression 90%

NORMALITY

Range Class	% Standard	%Model
-1 to 1	68	70
-1.64 to +1.64	90	95

MODEL USED IN THE VALUE ESTIMATE (Moda)

$$Y = 14670{,}656712 * 2{,}718^{(5{,}677006 * 1/X_1)} * 2{,}718^{(0{,}174833 * X_2)} * 2{,}718^{(-0{,}006891 * X_3)} * 2{,}718^{(0{,}013605 * X_4)} * 2{,}718^{(-0{,}019390 * X_5)} * 2{,}718^{(-0{,}105401 * X_6)}$$

ESTIMATE MODEL - MAIN INDICATORS

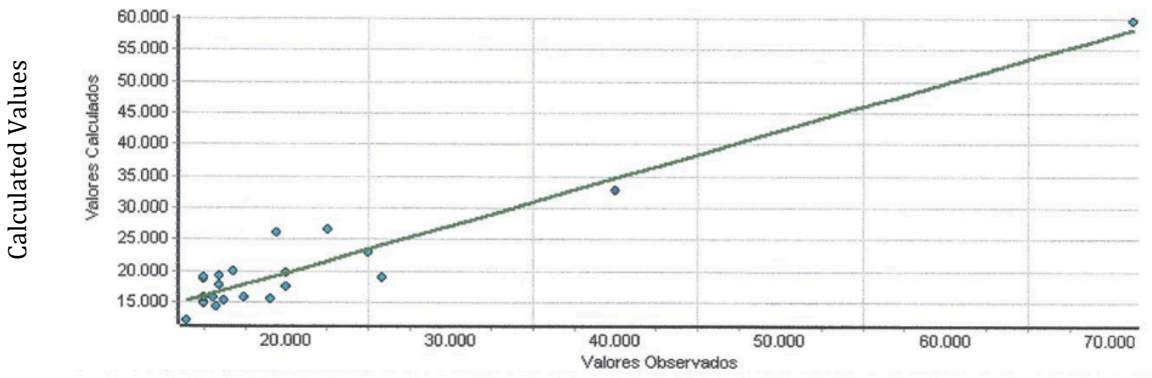
SAMPLE

Average:	20680.50
Total Variation:	3411413618.78
Variance:	142142234.12
Standard Deviation:	11922.34

MODEL

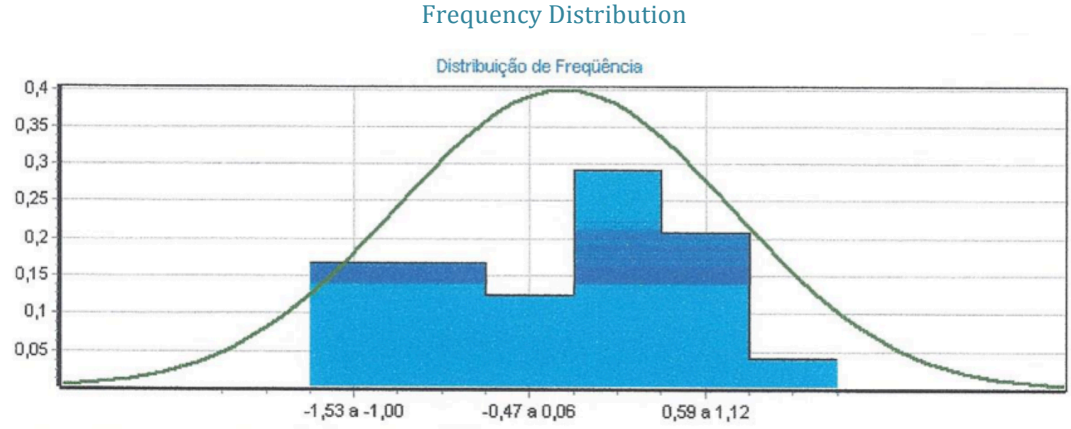
Adherence Coefficient:	0.88194
Residual Variation:	402756283.95
Variance:	23691546.11
Standard Deviation:	4867.40

ADHERENCE GRAPHIC (Observed Value X Calculated Value)

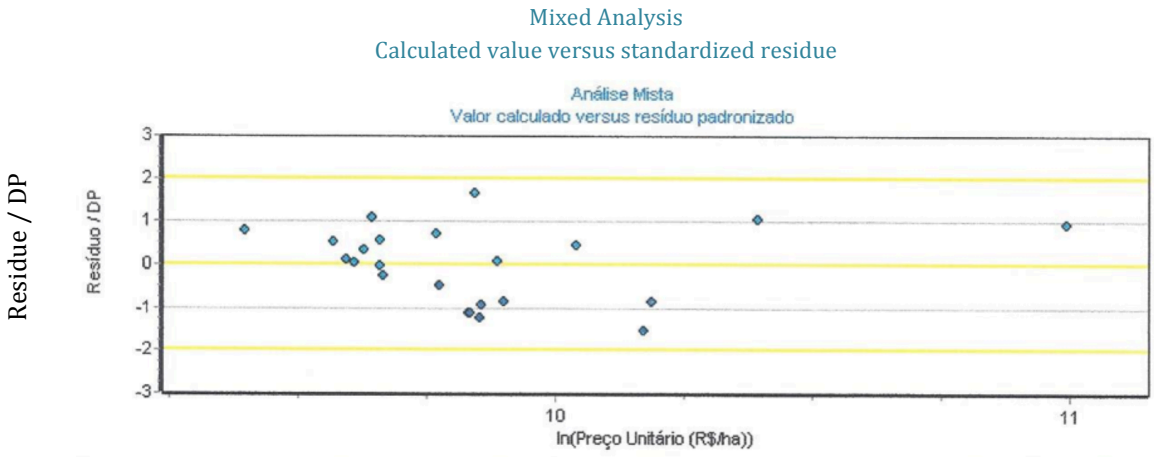


Observed values

Histogram of Standardized Residuals X Standard Normal Curve



Distribution of Adjusted Values X Standardized Residues

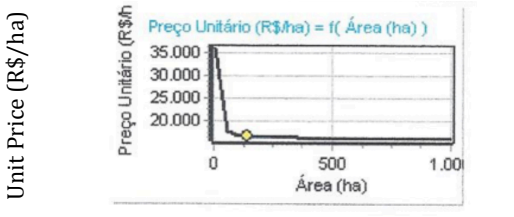


DESCRIPTION OF THE VARIABLES

X1 Area (ha)

Imported from Excel
Type: Quantitative
Amplitude: 7.00 to 1000.00
Expected impact on the dependent: Positive
10% of the amplitude in average: -1.60% in the estimate

Unit Price (R$/ha) = f (Area(ha))

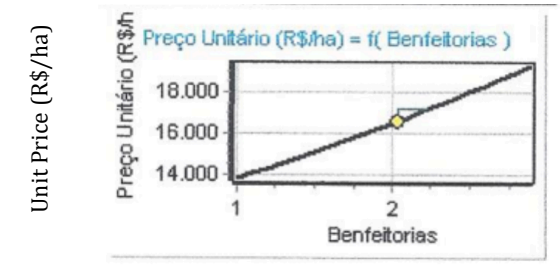


Unit Price (R$/ha)

X2 Improvements

Imported from Excel
Type: Quantitative
Amplitude: 1 to 3.00
Expected impact on the dependent: Positive
10% of the amplitude in average: 3.56% in the estimate

Unit Price (R$/ha) = f (Improvements)

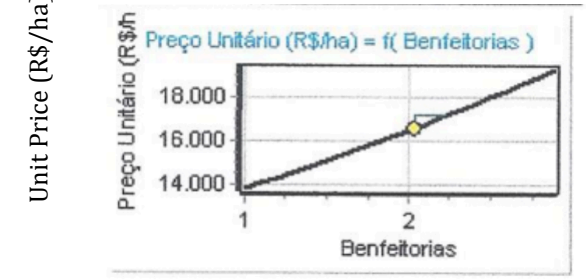


Unit Price (R$/ha)

X3 Distance from the asphalt (km)

Imported from Excel
Type: Quantitative
Amplitude: 0 to 30.00
Expected impact on the dependent: Positive
10% of the amplitude in average: -2.05% in the estimate

Unit Price (R$/ha) = f (Distance from the asphalt(km))

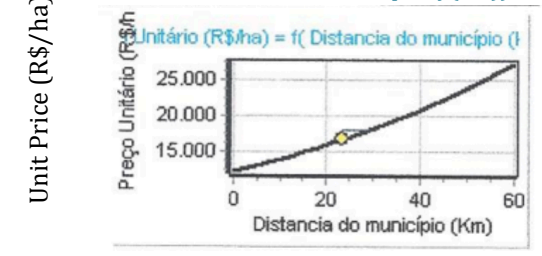


Unit Price (R$/ha)

X4 Distance from the municipality (km)

Imported from Excel
Type: Quantitative
Amplitude: 0.1 to 60.00
Expected impact on the dependent: Positive
10% of the amplitude in average: 8.49% in the estimate

Unit Price (R$/ha) = f (Distance from the municipality(km))

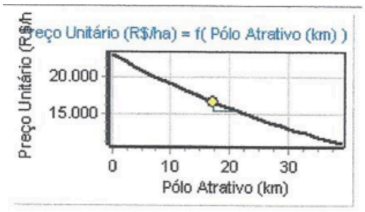


Unit Price (R$/ha)

X5 Attractive Pole (km)

Imported from Excel
Type: Quantitative
Amplitude: 0.1 to 41.00
Expected impact on the dependent: Positive
10% of the amplitude in average: /7.62% in the estimate

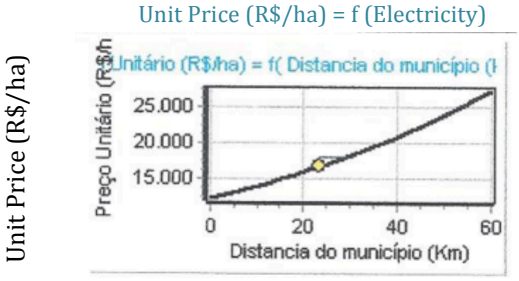
Unit Price (R$/ha) = f (Attractive Pole)



Unit Price (R$/ha)

X6 Electricity

Imported from Excel
Type: Quantitative
Amplitude: 1 to 3.00
Expected impact on the dependent: Positive
10% of the amplitude in average: -2.09% in the estimate



Y Unit Price (R$/ha)

Imported from Excel
Type: Dependent
Amplitude: 14000.00 to 71428.57
Micronumerosity for the model: serviced

ANALYSIS PARAMETERS OF INDEPENDENT VARIABLES

VARIABLE	Linear Scale	Calculated T-student	Significance (Sum of Tails)	Adjusted Determinant (Standard = 0.73287)
X1 Area (ha)	1/x	4.61358	0.024779	0.43183
X2 Improvements	X	2.87608	1.05	0.62495
X3 Distance from the asphalt (km)	X	-1.17509	25.62	0.72722
X4 Distance from the municipality	X	3.18639	0.54	0.59703
X5 Attractive Pole (km)	X	-3.3856	0.35	0.57760
X6 Electricity	x	-1.54985	13.96	0.71206

MATCHING CORRELATION BETWEEN VARIABLES (Percentage values)

- **SUPERIOR MATRIX – PARTIAL**
- **LOWER MATRIX – ISOLATED**

Variable	Linear shape	Area (ha)	Improvements	Distance from Asphalt (km)	Distance from the Municipality (km)	Polo Attractive (km)	Energy	Unit Price (R $ / ha)
Variável	Forma Linear	Área (ha)	Benfeitorias	Distância do Asfalto (Km)	Distancia do município (Km)	Pólo Atrativo (km)	Energia	Preço Unitário (R$/ha)
X_1	1/x		39	35	32	30	5	75
X_2	x	-27		1	36	47	70	57
X_3	x	13	-14		12	17	2	27
X_4	x	10	0	47		84	21	61
X_5	x	-10	7	59	79		31	63
X_6	x	-41	66	-10	-10	-2		35
Y	ln(y)	68	8	-27	3	-36	-23	

8.0 - CONCLUSION

According to the data presented and the variables used in the process of calculating the value of the property Fazenda Avai, located in the municipality of Caravelas - BA, owned by Woodford Empreendimentos Imobiliários Ltda on December 1, 2016, we inform that the property mentioned above has an area of 469.00 hectares and was valued at R$11,725,000.00 (eleven million, seven hundred and twenty-five thousand reais), and the values found are in line with market prices.

We used the maximum value interpreted in the sample, considering that the area evaluated is facing the beach / ocean, and can be used for tourism exploration.

APPENDIX F
PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF THE RESULTING ISSUER

DLC Holdings Corp.
(Formerly Desmond Investments Ltd.)

Pro Forma Consolidated Financial Statements
September 30, 2017
(Expressed in Canadian Dollars)

(Unaudited)

DLC Holdings Corp.
(Formerly Desmond Investments Ltd.)
Pro Forma Consolidated Statement of Financial Position
As at September 30, 2017 (Expressed in Canadian Dollars) (Unaudited)

	Craven House Industries Ltd. (Note 7)	Ceniako Ltd. (Note 8)	DLC Holdings Corp. (Note 1)	Pro Forma Adjustments	Note	Pro forma balance
Assets						
Current						
Cash	$ -	$ 1,047	$ 48,448	$ 800,000	4(a)	$ 789,495
				(60,000)	4(b)	
Receivables	66	3,871	1,090	-		5,027
	66	4,918	49,538	740,000		794,522
Financial assets	6,622,614	-	-	-		6,622,614
Property, plant, and equipment	457,750	-	780,916	-		1,238,666
Investment properties	-	13,309,696	-	-		13,309,696
	$ 7,080,430	$ 13,309,614	$ 830,454	$ 740,000		$ 21,965,498
Liabilities						
Current						
Accounts payable and accrued liabilities	$ 24,928	$ 21,671	$ 57,048	$ -		$ 103,647
Due to related parties	-	-	59,375	-		59,375
	24,928	21,671	116,423	-		163,022
				-		
Deferred Tax	118,299	-	13,700			131,999
Due to related parties	-	-	165,170	-		165,170
Promissory Note	-	-	166,136	-		166,136
Long term debt	-	2,657,191	-	800,000	4(a)	3,457,191
	$ 143,227	$ 2,678,862	$ 461,429	$ 800,000		$ 4,083,518
Shareholders' Deficiency						
Share capital	$ 1,473	$ 1,473	$ 1,691,086	$ (1,691,086)	4(c)	$ 3,983,372
				3,980,426	4(c)	
Reserves	5,898,902	11,826,697	194,500	(194,500)	4(c)	18,043,750
				318,151	4(e)	
Accumulated other comprehensive loss	-	-	14,747	(14,747)	4(c)	-
Retained earnings/(Deficit)	1,036,828	(1,192,418)	(1,531,308)	(60,000)	4(b)	(6,467,994)
				1,531,308	4(c)	
				(3,611,401)	4(c)	
				(4,201,122)	4(d)	
				(318,151)	4(e)	
				1,878,270	4(f)	
Non-controlling interest	-	-	-	4,201,122	4(d)	2,322,852
				(1,878,270)	4(f)	
	6,937,203	10,635,752	369,025	(60,000)		17,881,980
	$ 7,080,430	$ 13,314,614	$ 830,454	$ 740,000		$ 21,965,498

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

DLC Holdings Corp.
(Formerly Desmond Investments Ltd.)
Pro Forma Consolidated Statement of Comprehensive Loss
For the nine month period ended September 30, 2017
(Expressed in Canadian Dollars) (Unaudited)

	Craven House Industries Ltd. (Note 7)	Ceniako Ltd. (Note 8)	DLC Holdings Corp. (Note 1)	Pro Forma Adjustments	Note	Pro forma balance
Expenses:						
Operating expenses	$ -	$ -	$ 117,350	$ -		$ 117,350
General and administrative expenses	4,202	41,033	106,490	-		151,725
Finance costs	-	25	17,586	-		17,611
Tax	(101,818)	-	-	-		(101,818)
	$ (97,616)	$ 41,058	$ 241,426	$ -		$ 184,868
Other expense / (income)						
Other income/loss	-	-	(94,675)	-		(94,675)
Revaluation of investment properties	814,544	-	-	-		814,544
Foreign exchange	-	205,467	25,726	-		231,193
Listing expense	-	-	-	3,671,401	4(c)	3,989,552
				318,151	4(e)	
Net and comprehensive loss (income) for the period	$ 716,928	$ 246,525	$ 172,477	$ 3,989,552		$ 5,125,482
Net and comprehensive loss (income) attributable to non-controlling interest	-	-	-	1,878,270	4(f)	1,878,270
Net loss and comprehensive loss (income) attributable to shareholders	$ 716,928	$ 246,525	$ 172,477	$ 2,111,282		$ 3,247,212
Pro Forma loss per share – basic and diluted						$0.04
Pro Forma weighted average number of common shares outstanding – basic and diluted						84,650,227

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

DLC Holdings Corp.
(Formerly Desmond Investments Ltd.)
Pro Forma Consolidated Statement of Comprehensive Loss
For the year ended December 31, 2016
(Expressed in Canadian Dollars) (Unaudited)

	Craven House Industries Ltd. (Note 7)	Ceniako Ltd. (Note 8)	DLC Holdings Corp. (Note 1)	Pro Forma Adjustments	Note	Pro forma balance
Expenses:						
Operating expenses	$ -	$ -	$ 179,282	$ -		$ 179,282
General and administrative expenses	8,417	41,577	111,632	-		161,626
Finance costs	-	375	12,822	-		13,197
Tax	220,412	-	-	-		220,412
	$ 228,829	$ 41,952	$ 303,736	$ -		$ 574,517
Other expense / (income)						
Other income/loss	-	(25,781)	(111,582)	-		(137,363)
Revaluation of investment properties	(1,763,296)	-	-	-		(1,763,296)
Foreign exchange	-	(565,448)	(82,086)	-		(647,534)
Listing expense	-	-	-	3,671,401	4(c)	3,989,552
				318,151	4(e)	
Net and comprehensive loss (income) for the period	$ (1,534,467)	$ (549,277)	$ 110,068	$ 3,989,552		$ 2,015,876
Net and comprehensive loss (income) attributable to non-controlling interest	-	-	-	1,563,928	4(f)	1,563,928
Net loss and comprehensive loss (income) attributable to shareholders	$ (1,534,467)	$ (549,277)	$ 110,068	$ 2,425,624		$ 451,948
Pro Forma loss per share – basic and diluted						$0.01
Pro Forma weighted average number of common shares outstanding – basic and diluted						84,650,227

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

1. Basis of Presentation

These unaudited pro forma consolidated financial statements of DLC Holdings Corp., ("DLC" or the "Company") have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") from information derived from the financial statements of DLC and the financial statements of Craven House Industries Limited. ("Craven"), and Ceniako Ltd. Group ("Ceniako") to give effect to the proposed transactions described in Notes 3 and 4.

The unaudited pro forma consolidated statement of financial position has been prepared from the unaudited statements of financial position of DLC, Craven and Ceniako as at September 30, 2017 giving effect to the accounting acquisition of DLC as if it had occurred on September 30, 2017.

The unaudited pro forma consolidated statement of comprehensive loss for the period ended September 30, 2017 has been derived from the unaudited statements of loss and comprehensive loss of DLC, Craven and Ceniako for the nine months ended September 30, 2017 giving effect to the accounting acquisition of DLC as if it had occurred on January 1, 2017.

The unaudited pro forma consolidated statement of comprehensive loss for the year ended December 31, 2016 has been derived from the audited statements of loss and comprehensive loss of DLC, Craven and Ceniako for the year ended December 31, 2016 giving effect to the accounting acquisition of DLC as if it had occurred on January 1, 2016.

These unaudited pro forma consolidated financial statements have been prepared by management of DLC in accordance with IFRS, for illustrative purposes only, after giving effect to the proposed transactions described in Notes 3 and 4, and are not necessarily indicative of the financial position that would have been achieved if the proposed transaction had been completed on the date indicated, and does not purport to project the financial position of the consolidated entities for any future periods. In the opinion of the management of DLC, Craven and Ceniako, these unaudited pro forma consolidated financial statements include all adjustments necessary for a fair presentation of the proposed transactions described in Notes 3 and 4. Unless otherwise noted, the unaudited pro forma consolidated financial statements and accompanying notes are presented in Canadian Dollars.

The unaudited pro forma consolidated financial statements should be read in conjunction with the historical financial statements referred to above of DLC, Craven and Ceniako.

2. Significant Accounting Policies

The accounting policies used in the preparation of the unaudited pro forma consolidated financial statements are those set out in DLC's audited financial statements for the year ended December 31, 2016. In preparing the unaudited pro forma consolidated financial statements, a review was undertaken to identify accounting policy differences between DLC, Craven and Ceniako where the impact was potentially material. The significant accounting policies of DLC conform in all material respects to those of Craven and Ceniako.

3. Summary of Proposed Transaction

Pursuant to Share Exchange agreements dated August 22, 2017, management of DLC, Ceniako, and Craven have determined that it would be advantageous for DLC to acquire a controlling interest in two companies (the "Transaction"), with the post-transaction entity being referred to in the notes to the pro-forma consolidated financial statements as the "Resulting Issuer". Under the terms of the proposed transaction, DLC will simultaneously acquire 60.5% of Ceniako and 100% of Craven.

Ceniako is a holding company, which owns 99.9% of the shares of a Brazilian holding company which in turn owns approximately 2,000 hectares of land in Bahia, Brazil. The land is suitable for the cultivation of macadamias and coconuts. It presently has no operations. DLC has agreed to acquire 60.5% of the issued and outstanding shares of Ceniako, with the entire consideration to be satisfied through the issuance of 28,902,845 preferred shares of DLC.

Craven is a holding company, which owns 99.9% of a Brazilian holding company whose sole asset is approximately 500 hectares of land in Bahia. The land is suitable for the cultivation of macadamias and coconuts. It is presently has no operations. DLC has agreed to acquire 100% of the issued and outstanding shares in Craven, with the entire consideration to be satisfied through the issuance of 13,676,700 common shares of DLC and 22,168,552 preferred shares of DLC. The Share Exchange agreement contains a "make-whole" provision that could result in a requirement for further common shares of the Resulting Issuer to be issued to the former shareholders of Craven, however management of DLC considers the likelihood of issuing additional common shares remote.

DLC shares common directors and shareholders with Ceniako and Craven, and therefore the Transaction is considered a related party transaction.

The Transaction will be accounted for in accordance with guidance provided in IFRS 2, "Share-Based Payment" and IFRS 3 "Business Combinations". As DLC did not qualify as a business according to the definition in IFRS 3, this Transaction does not constitute a business combination; rather it is treated as an issuance of shares by Ceniako and Craven for the net assets of DLC and the Company's listing status.

As a result of the closing of the Transaction, the shareholders of Ceniako and Craven will acquire control of DLC by virtue of senior management and the board directors of the Resulting Issuer being drawn predominantly from Ceniako and Craven, whom will have the authority and responsibility for planning, directing, and controlling the activities of the Resulting Issuer.

The Transaction is subject to, amongst other things, regulatory approval and the approval of the Boards of DLC, Ceniako, and Craven.

4. Pro Forma Assumptions and Adjustments

The unaudited pro forma consolidated financial statements include the effects of the following pro forma assumptions and adjustments:

a) DLC has secured a working capital loan of $800,000 with repayment terms to be greater than one year.

b) In connection with the Transaction, management of the three companies estimate transaction costs of $60,000 related to audit, accounting, legal and regulatory services.

c) As the share consideration to be retained by the former shareholders of DLC on closing is considered within the scope of IFRS 2, and the Company cannot specifically identify some or all of the goods or services received in return for the allocation of the shares, the value in excess of the net identifiable assets of DLC acquired on closing is the be expensed as listing costs.

The assets acquired and liabilities assumed are at their fair values which are the same as their carrying values. The fair value of the net assets of DLC as at September 30, 2017, and the listing expense, are as follows:

DLC's Identifiable Net Assets		
Cash	$	48,448
Receivables		1,090
Property, plant and equipment		780,916
Accounts payable and accrued liabilities		(116,423)
Due to related parties		(165,170)
Deferred tax		(13,700)
Promissory note		(166,136)
		369,025
Purchase Price		
Estimated fair value of shares of DLC retained by DLC shareholders		3,980,426
Listing expense, net of identified assets		3,611,401
Transaction Costs		
Audit, accounting, legal, and regulatory (Note 4(b))		60,000
Total listing expense, net of identified assets	$	3,671,401

The estimated fair value of shares of DLC retained by DLC shareholders of $3,980,426 represents 19,902,130 common shares at $0.20 per share, which is the last trading price of DLC's common shares. In connection with the adjustment to record the listing expense,

4. Pro Forma Assumptions and Adjustments (cont'd…)

adjustments were made to eliminate the pre-transaction equity of DLC (share capital of $1,691,086, share-based payment reserves of $194,500, accumulated other comprehensive loss of $14,747, and a deficit of $1,531,308), and to record $3,980,426 as the estimated fair value of shares of DLC retained by DLC shareholders.

d) An adjustment was made to recognize the 39.5% non-controlling interest in the net assets of Ceniako at the acquisition, which amounts to $4,201,122.

e) An adjustment was made to recognize the fair value of 2,856,675 warrants with an exercise price of $0.20, outstanding in DLC before the Transaction, as these warrants are potentially dilutive to shareholders in the Resulting Issuer. The fair value of $318,151 was determined using the Black Scholes option-pricing model assuming a risk-free interest rate of 1%, a dividend yield of 0%, an expected volatility of 100% and an expected life of two years. The entry was recognized as part of the listing expense in profit and loss.

The warrants have an expiry date of April 17, 2018.

f) An adjustment was made to recognize the profit and loss in Ceniako attributable to the 39.5% non-controlling interest, which amounted to a loss of $1,878,270 for the nine months ended September 30, 2017 and $1,563,928 for the year ended December 31, 2016.

5. Pro Forma Share Capital

After giving effect to the pro forma assumptions and adjustments in Note 4, the pro forma share capital of DLC has been determined as follows:

	Note	Number of shares	Share capital
Balance, DLC, September 30, 2017		19,902,130	1,691,086
Adjustment of DLC share capital	4(c)	-	(1,691,086)
Estimated fair value of shares of DLC retained by DLC	4(c)	-	3,980,426
Preferred shares issued to Ceniako	3	28,902,845	1,473
Common shares issued to Craven	3	13,676,700	562
Preferred shares issued to Craven	3	22,168,552	911
		84,650,227	3,983,372

6. Pro Forma Basic and Diluted Loss per Share

Pro forma basic and diluted loss per share for the periods ended December 31, 2016, and September 30, 2017 have been calculated based on pro forma weighted average number of shares outstanding as follows:

	Number of shares	Weighted Average
Balance, DLC, September 30, 2017	19,902,130	19,902,130
Preferred shares issued to Ceniako	28,902,845	28,902,845
Common shares issued to Craven	13,676,700	13,676,700
Preferred shares issued to Craven	22,168,552	22,168,552
	84,650,227	84,650,227

7. Translation of Craven Financial Statements

In the preparation of the unaudited pro forma consolidated statement of financial position as at September 30, 2017, the unaudited consolidated statement of financial position of Craven as at September 30, 2017 was translated from Euros ("EUR") to Canadian Dollars ("CAD") using the spot rate (1.4725) as at September 30, 2017 for all balances shown, as follows:

		September 30, 2017 € EUR		September 30, 2017 $CAD
Current assets				
Cash	$	-	$	-
Receivables		45		66
Total current assets		45		66
Financial assets		4,497,491		6,622,614
Property, plant and equipment		310,863		457,750
Investment properties		-		-
Total assets	**$**	**4,808,399**	**$**	**7,080,430**
Current liabilities				
Accounts payable and accrued liabilities	$	16,929	$	24,928
Deferred Tax		80,338		118,299
Total liabilities		97,267		143,227
Equity				
Share capital		1,000		1,473
Reserves		4,006,010		5,898,902
Retained earnings		704,122		1,036,828
Total equity		4,711,132		6,937,203
Total liabilities and equity	**$**	**4,808,399**	**$**	**7,080,430**

7. Translation of Craven Financial Statements (cont'd…)

In the preparation of the unaudited pro forma consolidated statement of comprehensive loss for the year ended December 31, 2016, the audited consolidated statement of loss and comprehensive loss of Craven for the year ended December 31, 2016 was translated from EUR to CAD using the average rate (1.4659) for the year ended December 31, 2016 for all balances shown, as follows:

	Year ended December 31, 2016 €EUR	Year ended December 31, 2016 $CAD
Expenses		
General and administrative expenses	$ 5,742	$ 8,417
Revaluation of investment properties	(1,202,872)	(1,763,296)
Tax	150,359	220,412
	$ (1,046,771)	**$ (1,534,467)**

In the preparation of the unaudited pro forma consolidated statement of comprehensive loss for the nine month period ended September 30, 2017, the unaudited consolidated statement of loss and comprehensive loss of Craven for the nine months ended September 30, 2017 was translated from EUR to CAD using the average rate (1.4541) for the Nine months ended September 30, 2017 for all balances shown, as follows:

	Nine months ended September 30, 2017 €EUR	Nine months ended September 30, 2017 $CAD
Expenses		
General and administrative expenses	$ 2,890	$ 4,202
Revaluation of investment properties	560,170	814,544
Tax	(70,021)	(101,818)
	$ 493,039	**$ 716,928**

8. Translation of Ceniako Financial Statements

In the preparation of the unaudited pro forma consolidated statement of financial position as at September 30, 2017, the unaudited consolidated statement of financial position of Ceniako as at September 30, 2017 was translated from EUR to CAD using the spot rate (1.4725) as at September 30, 2017 for all balances shown, as follows:

	September 30, 2017 € EUR	September 30, 2017 $CAD
Current assets		
Cash	$ 711	$ 1,047
Receivables	2,629	3,871
Total current assets	3,340	4,918
Investment properties	9,038,763	13,309,696
Total assets	**$ 9,042,103**	**$ 13,314,614**
Current liabilities		
Accounts payable and accrued liabilities	$ 14,717	$ 21,671
Total current liabilities	14,717	21,671
Long-term debt	1,804,528	2,657,191
Total liabilities	1,819,245	2,678,862
Equity		
Share capital	1,000	1,473
Reserves	8,031,642	11,826,697
Deficit	(809,784)	(1,192,418)
Total equity	7,222,858	10,635,752
Total liabilities and equity	**$ 9,042,103**	**$ 13,314,614**

8. Translation of Ceniako Financial Statements (cont'd…)

In the preparation of the unaudited pro forma consolidated statement of comprehensive loss for the period ended December 31, 2016, the audited consolidated statement of loss and comprehensive loss of Ceniako for the year ended December 31, 2016 was translated from EUR to CAD using the average rate (1.4659) for the year ended December 31, 2016 for all balances shown, as follows:

	Year ended December 31, 2016 €EUR	Year ended December 31, 2016 $CAD
Expenses		
General and administrative expenses	$ 28,363	$ 41,577
Finance costs	256	375
Other income	(17,587)	(25,781)
Foreign exchange loss/(gain)	(385,733)	(565,448)
	$ (374,701)	**$ (549,277)**

In the preparation of the unaudited pro forma consolidated statement of comprehensive loss for the nine month period ended September 30, 2017, the unaudited consolidated statement of loss and comprehensive loss of Ceniako for the nine months ended September 30, 2017 was translated from EUR to CAD using the average rate (1.4541) for the nine months ended September 30, 2017 for all balances shown, as follows:

	Nine months ended September 30, 2017 €EUR	Nine months ended September 30, 2017 $CAD
Expenses		
General and administrative expenses	$ 28,219	$ 41,033
Finance costs	17	25
Foreign exchange loss/(gain)	141,302	205,467
	$ (169,538)	**$ (246,525)**

CERTIFICATE OF DLC

The foregoing document constitutes full, true and plain disclosure of all material facts relating to the securities of DLC Holdings Corp. ("**DLC**"), assuming completion of the Transaction (as that term is defined in the Filing Statement of DLC dated March, 27 2018).

DATED: March 27, 2018

/s/ "Mark Pajak"
Mark Pajak, Chief Executive Officer

/s/ "Robert Chisholm"
Robert Chisholm, Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS OF DLC

/s/ "Craig Goldenberger"
Craig Goldenberger, Director

/s/ "Balbir Bindra"
Balbir Bindra, Director

CERTIFICATE OF CRAVEN and CENIAKO

The foregoing document as it relates to Craven House Industries Ltd ("**Craven**") and Ceniako Ltd. ("**Ceniako**") constitutes full, true and plain disclosure of all material facts relating to the securities of Craven and Ceniako.

DATED: March 27, 2018

ON BEHALF OF THE BOARD OF DIRECTORS OF CRAVEN

*/s/ "Mark Pajak"*_____
Mark Pajak, Director
Craven House Industries Ltd.

*/s/ "Brian Winters"*_____
Brian Winters, Director
Craven House Industries Ltd

ON BEHALF OF THE BOARD OF DIRECTORS OF CENIAKO

_____
AIL Nominee Services Ltd, Director
Ceniako Ltd.

ACKNOWLEDGEMENT – PERSONAL INFORMATION

"Personal Information" means any information about an identifiable individual, and includes information contained in any Items in the attached filing statement that are analogous to Items 4.2, 11, 13.1, 16, 18.2, 19.2, 24, 25, 27, 32.3, 33, 34, 35, 36, 37, 38, 39, 41 and 42 of the Exchange Form 3D2, as applicable.

The undersigned hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

(a) the disclosure of Personal Information by the undersigned to the TSX-V (as defined in Appendix 6B) pursuant to the Form 3D2; and

(b) the collection, use and disclosure of Personal Information by the TSX-V for the purposes described in Appendix 6B or as otherwise identified by the TSX-V, from time to time.

ON BEHALF OF THE BOARD OF DIRECTORS OF DLC HOLDINGS CORP.

/s/ "Mark Pajak"
Mark Pajak, Chief Executive Officer & Director