

Company Information and Disclosure Statement

**Plandaí Biotechnology, Inc.
OTCPK: PLPL**

For the Quarter Ended December 31, 2016

Item I - The exact name of the issuer.

Plandaí Biotechnology, Inc. (hereinafter referred to as “we”, “us”, or “our” or “issuer”).
Name used by predecessor entities in the past 5 years: none

Item II - The address of the issuer’s principal executive offices.

17 Hanover Square
London
England
W1S 1BN
Phone: 435-881-3611
Email:
Website:

Investor Contact: Hannah Merrill
435-881-3611

Item III - The exact title and class of securities outstanding.

Common Stock - Cusip # 72703D100
Trading symbol: PLPL
Par value \$0.0001
Total Authorized: 500,000,000
Total Outstanding: 259,824,386

Transfer Agent:
Signature Stock Transfer Inc
14673 Midway Road, Suite 220
Addison, Texas, 75001
Phone: 976.612.4120
www.signaturestocktransfer.com

Our transfer agent is registered under the Exchange Act, and is regulated by the Securities and Exchange Commission.

List any restrictions on the transfer of security:

None

Describe any trading suspension orders issued by the SEC in the past 12 months.

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

The Company acquired 90,000 shares of the Series D Preferred Stock of Protex Mobility, representing 65% of the voting capital of Protex, in exchange for all of the capital of the Company’s subsidiary, Plandaí Biotechnology South Africa (Pty) Ltd., which is engaged in pharmaceutical research. Ancillary to this transaction, the Company sold all of the capital of Cannabis Biosciences, Inc. to Protex in exchange for 60 million shares of Protex common

stock. As a result of these transactions, both Plandaí Biotechnology South Africa and Cannabis Biosciences became wholly-owned subsidiaries of Protext Mobility. In March 2017, the 90,000 shares of Series D Preferred Stock were transferred into an irrevocable trust of which Plandaí is the beneficiary; however, Plandaí does not have voting control over the shares in the trust and has no liquidation authority. As a result, Plandaí is not considered the beneficial owner of the Protext shares and will not consolidate Protext operations in their financial statements.

Item IV - Issuance History

List below any events, in chronological order, that resulted in changes in total shares outstanding by the issuer in the past two fiscal years and any interim period. The list shall include all offerings of equity securities, including debt convertible into equity securities, whether private or public, and all shares or any other securities or options to acquire such securities issued for services, describing (1) the securities, (2) the persons or entities to whom such securities were issued and (3) the services provided by such persons or entities.

During the year ended June 30, 2015, the Company issued 33,411,308 shares of unregistered, restricted common stock, which were issued under an exemption from registration provided by Rule 144 of the Securities Act of 1933, as follows:

- In April 2014, the Company agreed to issue an additional 70,000 shares to acquire the remaining 2% interest in Dunn Roman, bringing its total ownership in that entity to 100%. The shares were issued in 2015, and were exempt from registration under the Securities Act in reliance on an exemption provided by Section 4(2) of that Act.
- The Company issued 1,298,400 restricted common shares for \$286,700 cash. Each of the issuances of these shares was exempt from registration under the Securities Act in reliance on an exemption provided by Section 4(2) of that Act.
- The Company issued 26,769,400 restricted common shares for services valued at \$5,608,514. Each of the issuances of these shares was exempt from registration under the Securities Act in reliance on an exemption provided by Section 4(2) of that Act.
- The Company issued 144,296 restricted common shares for the conversion of convertible debt and interest in the amount of \$46,992. Each of the issuances of these shares was exempt from registration under the Securities Act in reliance on an exemption provided by Section 4(2) of that Act.
- The Company issued 1,629,212 common shares on the exercise of 1,666,666 warrants with a strike price of \$0.01. The issuances of these shares was exempt from registration under the Securities Act in reliance on an exemption provided by Section 4(2) of that Act. These warrants were exercised in a “cashless” transaction, resulting in fewer shares being issued than warrants exercised. The warrants were originally issued as part of 5,000,000 warrants issued to the various license owners of Diego Pellicer, which, in aggregate, were valued at \$5,749,985 at issuance and then subsequently deemed impaired in total.
- The Company issued 3,500,000 common shares as settlement on the cancellation of a long-term consulting contract. The issuances of these shares was exempt from registration under the Securities Act in reliance on an exemption provided by Section 4(2) of that Act.

During the year ended June 30, 2016, the Company issued 23,111,300 shares of unregistered, restricted common stock as follows:

- The Company issued 17,806,300 shares of restricted common stock to various individuals for \$412,640 cash. Each of the issuances of these shares was exempt from registration under the Securities Act in reliance on an exemption provided by Section 4(2) of that Act.
- The Company issued 5,305,000 restricted common shares to various employees and third parties for services valued at \$318,350. Each of the issuances of these shares was exempt from registration under the Securities Act in reliance on an exemption provided by Section 4(2) of that Act.

During the six months ended December 31, 2016, the Company issued a total of 72,293,150 shares of restricted common stock as follows:

1. The Company issued 26,040,000 restricted common shares for services valued at \$287,580, of which 7,000,000 shares were issued under two consulting agreements to third parties on July 1, 2016 and 18,840,000 were issued September 1, 2016 to pay accrued salaries to officers of the Company.
2. The Company issued 36,259,123 restricted shares on the conversion of notes payable and accrued interest totaling \$261,765.
3. The Company issued 6,496,966 restricted shares in exchange for cash of \$82,218.
4. The Company issued 3,497,061 on the exercise of warrants.

Item V - Financial Statements

Financial statements for the quarter ended December 31, 2016 are attached hereto.

Item VI - Describe the Issuer's Business, Products and Services

Business Description:

The issuer's primary and secondary SIC codes:

Primary Code: 2833

Secondary Code: 2834

Plandaí Biotechnology, Inc. (the "Company") and its subsidiaries is a bio-pharmaceutical business that focuses on the production of proprietary botanical extracts for the nutraceutical and pharmaceutical industries. The Company grows the green tea used in its Phytofare® Catechin production on a 3,000-hectare estate it operates under a 49-year notarial lease in the Mpumalanga province of South Africa. Plandaí uses a proprietary extraction process that is engineered to yield highly bioavailable products of pharmaceutical-grade purity. Phytofare® Catechin Complex, a green-tea derived extract, is the first commercial product in the Phytofare® brand and has supporting clinical data supporting its use in multiple potential wellness applications. The Company's principle holdings consist of land, farms and infrastructure in South Africa.

The Company was originally incorporated as Jerry's Inc., in the State of Florida on November 30, 1942. The Company catered airline flights and operated coffee shops, lounges and gift shops at airports and other facilities located in Florida, Alabama and Georgia. The company's airline catering services included the preparation of meals in kitchens located at, or adjacent to, airports and the distribution of meals and beverages for service on commercial airline flights. The Company also provided certain ancillary services, including, among others, the preparation of beverage service carts, the unloading and cleaning of plates, utensils and other accessories arriving on incoming aircraft, and the inventory management and storage of airline-owned dining service equipment. In March of 2004 we moved our domicile to Nevada and changed our name to Diamond Ranch Foods, Ltd. Diamond Ranch Foods, Ltd. was engaged in the meat processing and distribution industry focusing on the eastern seaboard of the United States. Operations consisted of packing, processing, custom meat cutting, portion controlled meats, private labeling, and distribution of our products to a diversified customer base, including, but not limited to; in-home food service businesses, retailers, hotels, restaurants and institutions, deli and catering operators, and industry suppliers. On November 17, 2011, the Company, through its wholly owned subsidiary, Plandaí Biotechnologies, Inc. consummated a share exchange with Global Energy Solutions Corporation Limited, an Irish corporation. Under the terms of the Share Exchange, GES received 76,000,000 shares of Diamond Ranch that had been previously issued to Plandaí Biotechnologies, Inc. in exchange for 100% of the

issued and outstanding capital of GES. On November 21, 2011, the Company filed an amendment to the Articles of Incorporation to change the name of the Company to Plandaí Biotechnology, Inc. GES was subsequently folded up into Plandaí and the legal status terminated, leaving Plandaí Biotechnology, Inc. as the surviving entity.

During the fourth quarter of fiscal 2015, the Company began shipping product to customers and recording sales. However, a hailstorm during the quarter destroyed a large percentage of the tea crop and there was insufficient time remaining in the growing season to yield another harvest. As a result, sales for the final quarter were limited. The Company is actively pursuing additional financing and has had discussions with various third parties, although no firm commitments have been obtained. Management believes these efforts, combined with projected sales for fiscal 2017, will generate sufficient cash flows from future operations to pay the Company's obligations and realize positive cash flow. There is no assurance any of these transactions will occur.

In April 2012, through our subsidiary companies, we secured a 100 million Rand financing (approximately \$13 million at the time of financing, \$6.5 million at current exchange rates) with the Land and Agriculture Bank of South Africa, which has been used to build infrastructure and further operations. During the years ended June 30, 2015 and 2016, the Company borrowed a total of \$5,700,000 from third parties, \$50,526 from related parties, and issued \$535,000 in convertible debentures to sustain operations and complete the construction of the production facility in South Africa.

Products

Gaelic for “plant food”, Plandaí is a biopharmaceutical company dedicated to taking all-natural nutraceutical ingredients and unlocking their pharmaceutical potential. Published science suggests that by delivering a therapeutic level of essential plant-based nutrients to human cells, we can treat many of the diseases that plague humankind. From viruses to cancers, to neural disorders like Alzheimer’s, science has shown that the botanical phytonutrients in plants have tremendous curative properties. However, current extraction methods fail to produce products that are highly bioavailable and that remain in the system long enough for a therapeutic effect. Plandaí’s technology releases and restructures plant nutrients into a highly purified form that the body can more easily process while also increasing their delivery and absorption into the blood plasma and the length of time those nutrients remain present and active.

Many common pharmaceutical products have their origins rooted in plants and “natural” medicine. For example, the active ingredient of aspirin was first discovered from the bark of the willow tree. In 1763 Edward Stone of Wadham College, University of Oxford, discovered salicylic acid, the active ingredient in aspirin, which was later synthesized by the German company Bayer® in 1897. The reason that these “natural” medicines are usually supplanted by synthetic drugs can be attributed to a few things but most notably the need to increase the absorption of the active ingredient by the human body, which is called *bioavailability*. In order to increase bioavailability in plant phytonutrients, the following barriers must be overcome, particle size, solubility, permeability, metabolism, excretion and disposition.

Our Phytofare® botanical extracts have overcome these challenges and, as validated in human clinical trials completed in June 2015, are delivered in a highly bioavailable form. In practical terms, this means that we are able to deliver more of the vital plant nutrients to the blood plasma where it remains at a therapeutic level for over 24 hours.

Compared with generic green tea extract, Plandaí’s Phytofare® Catechin Complex exhibits specific advantageous properties:

1. Phytofare® contains all of the phytonutrients in a stable, active extract. For example, with green tea, Phytofare® contains all eight catechins compared to just two catechins found in the generic. The difference is greater efficacy and improved synergy.
2. Because Phytofare® consists of mostly nano-sized particles, we can achieve greater cellular uptake.

3. Phytofare® is more bioavailable than generic extracts. In fact, it has been clinically shown to have 10 times greater bioavailability.
4. Phytofare has four times greater residency in the blood plasma, 24 hours compared to 6. This means it can be an effective “once a day” dose.
5. Phytofare® offers greater stability over generic. In fact, studies have shown that Phytofare® retains over 70% of its catechin efficacy after 90-day exposure, whereas generic catechins are completely gone.
6. Because Phytofare® is 10x more bioactive, the dosage can be reduced by 1/10th. As a result, our cost per dose is a fraction of our nearest competitor.

Many botanical extracts have demonstrated varying degrees of health benefit, and many pharmaceutical drugs are either derived directly from plant extracts or are synthetic analogs of phytonutrient molecules. Green tea catechins, for example, have shown promising in-vitro results as an anti-oxidant, with hundreds of different published studies demonstrating its potential usefulness in weight loss, anti-viral, anti-cancer, and anti-parasitic applications, amongst others.

In May 2015, the Company concluded a human clinical study on Plandaí’s inaugural product, Phytofare® Catechin Complex made from green tea. The test results forced us to coin a new term to describe what our extraction process was accomplishing: **phyto-availability™**. *Phyto-availability™* is the combination of Phytofare® unique properties:

1. Demonstrates ultra-high-bioavailability.
2. Exhibits the presence of complete phyto-complexes.
3. Greatly prolongs the presence of the phyto-complexes in the blood.

Plandaí’s Phytofare® Catechin Complex is produced from live green tea harvested locally on the Senteeko Tea Estate in Mpumalanga, South Africa, and then processed on a state-of-the-art extraction facility constructed onsite using funds obtained from the Land and Agriculture Bank of South Africa. The facility became operational in late 2014, with initial sales commencing in the fourth quarter of fiscal 2015.

The Company is actively developing additional products including a Phytofare® citrus complex. The citrus extraction investigations commenced at the Senteeko research facility in October 2015 and the product is anticipated for a mid-2017 release to market.

On August 30, 2013, Plandaí entered into a world license agreement with North-West University in Potchefstroom, South Africa, which granted the Company the exclusive right to use, manufacture and formulate the University’s Pheroid® technology for entrapped Phytofare® extracts. Pheroid® is a patented colloidal emulsion and entrapment system for protecting botanical compounds against metabolism in the stomach acids and then delivering such compounds into the blood plasma. For a botanical drug to have a therapeutic effect, it must reach the site of action in sufficient quantities. The Pheroid® drug delivery system enhances the absorption of the botanical extract through protection and delivery to the plasma, which was expressly confirmed in clinical studies 2015 with Phytofare® catechin complex formulated in Pheroid®. The combination of Phytofare® entrapped in Pheroid® was brought to market in early 2016 and is being marketed under the tradename “Ph².”

Plandaí continues to develop its biopharmaceutical base with live plant materials and is actively pursuing developing Phytofare® extracts from citrus and tomato fruits.

Marketing

Plandaí markets direct to nutraceutical and supplement companies that require high-quality bio-available extracts for their products and also sells through several third-party distributors who, in turn, sell to their customers which typically also include contract manufacturers, nutraceutical and supplement companies. In addition, the

Company is developing a direct-to-consumer product based on Phytofare® ingredients formulated into oral capsules.

Our fiscal year end date is June 30.

Item VII Describe the Issuer's Facilities

The Company, through its subsidiary, Dunn Roman Holdings, controls notarial leases in South Africa encompassing over 3,300 hectares (approx. 8,150 acres) of tea plantations, farms and associated buildings. Of this amount, 285 hectares have been returned to full tea production with another 165 presently undergoing rejuvenation so that total tea production will be approximately 450 hectares (1,100 acres) for the 2016/2017 production season. The remaining property includes housing, roads, timber, water retention, etc.

The Company also leases office space in London, England and White River, South Africa.

We believe that our existing facilities are suitable and adequate to meet our current business requirements.

Item VIII - Officers, Directors, and Control Persons

A. Names of Officers, Directors, and Control Persons.

The following table sets forth as of September 30, 2016, certain information regarding our current directors and executive officers:

Name	Age	Position
Roger Baylis-Duffield	73	Chairman, President, Chief Executive and Chief Financial Officer
Callum Cottrell-Duffield	32	Vice President-Sales, Director
Daron Baylis Duffield	65	Director
Brian Johnson	60	Director

There were no control persons apart from those hereinabove listed.

B. Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

None

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

None

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities

regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

None

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred suspended or otherwise limited such person's involvement in any type of business or securities activities.

None

- C. Beneficial Shareholders. Provide a list of the name, address and shareholdings or the percentage of shares owned by all persons beneficially owning more than ten percent (10%) of any class of the issuer's equity securities. If any of the beneficial shareholders are corporate shareholders, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders.

The following table sets forth information regarding the beneficial ownership of our common stock with respect to each of our executive officers, each of our directors, each person known by us to own beneficially more than 5% of the common stock, and all of our directors and executive officers as a group as of September 30, 2016. Each individual or entity named has sole investment and voting power with respect to shares of common stock indicated as beneficially owned by them, except where otherwise noted.

Name and Address ⁽¹⁾	Number of Shares Beneficially Owned ⁽²⁾	Class	Percentage Beneficially Owned ⁽³⁾
Roger Baylis-Duffield Chairman, Chief Executive and Chief Financial Officer	84,359,835 ⁽⁴⁾	Common	45.2%
Callum Cottrell-Duffield, VP-Sales, Director	3,267,000	Common	1.8%
Daron Baylis-Duffield Director	84,359,835 ⁽⁵⁾	Common	45.2%
Brian Johnson Director	10,627,065 ⁽⁶⁾	Common	5.7%
All Officers and Directors as a group (4 in number)	98,253,900	Common	52.3%

(1) Unless otherwise stated, the address of all persons is 17 Hanover Square, London, England.

(2) The information contained in this table with respect to beneficial ownership reflects "beneficial ownership" as defined in Rule 13d-3 under the Exchange Act. All information with respect to the beneficial ownership of any shareholder has been furnished by such shareholder and, except as otherwise indicated or pursuant to community property laws, each shareholder has sole voting and investment power with respect to shares listed as beneficially owned by such shareholder. Pursuant to the rules of the Commission, in calculating percentage ownership, each person is deemed to beneficially own shares subject to options or warrants exercisable within 60 days of the date of this Filing, but shares subject to options or warrants owned by others (even if exercisable within 60 days) are deemed not to be outstanding.

(3) The above percentages are based on 187,531,236 shares of common stock outstanding as of June 30, 2016.

(4) Includes 77,319,935 shares held by a trust of which Roger Baylis-Duffield and Daron Baylis-Duffield are equal beneficiaries, and 690,000 shares beneficially owned by Daron Baylis-Duffield.

(5) Includes 77,319,935 shares held by a trust of which Roger Baylis-Duffield and Daron Baylis-Duffield are equal beneficiaries, and 6,349,900 shares beneficially owned by Roger Baylis-Duffield.

(6) Includes 3,000,000 shares held by the son of Mr. Johnson and 1,500,000 shares held in a trust of which Mr. Johnson is a beneficiary.

Item IX - Third Party Providers

Please provide the name, address, telephone number, and email address of each of the following outside providers that advise your company on matters relating to operations, business development and disclosure:

1. Investment Banker: None
2. Promoters: None
3. Counsel: Mailander Law Office, Inc.
835 5th Avenue, Suite 312
San Diego, CA 92101
(619)239-9034
4. Accountant or Auditor: None
5. Public Relations Consultant: None
6. Investor Relations Consultant: None
7. Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement: None

Item X - Issuer Certification

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles, but having the same responsibilities).

The certifications shall follow the format below:

I, Roger Baylis-Duffield certify that:

1. I have reviewed this Quarterly Disclosure Statement of Plandaí Biotechnology, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

April 15, 2017

/s/Roger Baylis-Duffield
Chief Executive Officer

/s/Roger Baylis-Duffield
Chief Financial Officer

PLANDAI BIOTECHNOLOGY, INC.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	December 31, 2016	June 30, 2016
ASSETS		
Current Assets:		
Cash	\$ 85,703	\$ 12,915
Inventory	45,463	65,585
Accounts Receivable	4,051	41,256
Other Current Assets	47,360	65,065
Total Current Assets	<u>182,577</u>	<u>184,820</u>
Deposits	725,305	64,838
Other Assets	111,292	118,038
Fixed Assets – Net	6,384,199	6,082,397
Total Assets	<u>\$ 6,750,373</u>	<u>\$ 6,450,093</u>
LIABILITIES & STOCKHOLDERS' DEFICIT		
Current Liabilities:		
Accounts Payable and Accrued Expenses	\$ 582,022	\$ 710,333
Accrued Interest	975,398	741,175
Convertible Notes Payable, net of discount	205,335	153,835
Derivative Liability	743,738	1,022,472
Current Portion of Long Term Debt	15,802,561	14,081,092
Note Payable to Related Party	50,526	50,526
Related Party Payables	16,024	14,886
Total Current Liabilities	<u>18,375,604</u>	<u>16,773,319</u>
Other Liabilities	142,942	131,663
Deferred Lease Obligation	1,831,449	1,527,019
TOTAL LIABILITIES	<u>20,349,996</u>	<u>18,433,001</u>
STOCKHOLDERS' DEFICIT		
Common Stock, authorized 500,000,000 shares, \$0.0001 par value, 259,824,386 and 187,531,236 shares issued and outstanding as of December 31, 2016 and June 30, 2016	25,982	18,753
Additional Paid-In Capital	31,477,642	30,853,309
Accumulated Deficit	(42,386,772)	(40,688,408)
Cumulative Foreign Currency Translation Adjustment	(338,543)	12,778
Total Stockholders' Deficit	<u>(11,221,692)</u>	<u>(9,803,568)</u>
Non-controlling Interest	(2,377,931)	(2,179,340)
Equity Allocated to Plandaí Biotechnology	(13,599,623)	(11,982,908)
Total Liabilities and Stockholders' Deficit	<u>\$ 6,750,374</u>	<u>\$ 6,450,093</u>

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

PLANDAI BIOTECHNOLOGY, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended		Six Months Ended	
	December 31,	December 31,	December 31,	December 31,
	2016	2015	2016	2015
Revenues	\$ 43,706	\$ 50,553	\$ 145,390	\$ 91,473
Expenses:				
Production Costs	227,313	229,424	388,761	435,274
Payroll	180,759	188,977	370,630	397,460
Rent	90,378	83,584	179,720	175,662
Professional Services	23,929	18,880	71,399	165,239
Depreciation	125,371	133,303	252,341	276,974
General and Administrative	139,980	95,165	349,233	218,873
Total Expenses	<u>787,730</u>	<u>749,333</u>	<u>1,612,087</u>	<u>1,669,482</u>
Operating Loss	(744,024)	(698,780)	(1,466,694)	(1,578,009)
Other Income (Expense)				
Other Income	24,723	276,139	52,831	288,721
Change in Derivative Liability	201,154	(3,747)	526,741	(3,747)
Interest Expense	(530,831)	(323,881)	(1,009,834)	(633,502)
Net Loss	<u>\$ (1,048,978)</u>	<u>\$ (750,269)</u>	<u>(1,896,957)</u>	<u>(1,926,537)</u>
Allocation to Non-Controlling Interests	<u>108,236</u>	<u>64,505</u>	<u>198,591</u>	<u>175,048</u>
Net Loss, Adjusted	<u>(940,742)</u>	<u>(685,764)</u>	<u>(1,698,366)</u>	<u>(1,751,489)</u>
Other Comprehensive Income (loss):				
Foreign Currency Translation Adjustment	<u>(122,637)</u>	<u>309,878</u>	<u>(351,321)</u>	<u>665,262</u>
Comprehensive Income (Loss)	<u>\$ (1,063,379)</u>	<u>\$ (375,885)</u>	<u>\$ (2,049,687)</u>	<u>\$ (1,086,227)</u>
Basic & diluted loss per share	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>
Weighted Avg. Shares Outstanding	<u>252,353,992</u>	<u>166,971,564</u>	<u>227,835,981</u>	<u>165,704,083</u>

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

PLANDAI BIOTECHNOLOGY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the six months ended December 31, 2016	For the six months ended December 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Loss	\$ (1,896,957)	\$ (1,926,537)
Adjustments to reconcile net loss to net cash (used in) operating activities:		
Depreciation	251,973	277,367
Amortization of Debt Discount	105,552	32,749
Stock Issued or Payable for Services	253,448	106,000
Derivative Interest	224,923	18,331
Change in value of Derivative Liability	(526,741)	3,743
Addition to Notes Payable from Interest Added to Principal	469,099	382,115
Changes in Assets and Liabilities:		
Increase in Accounts Receivable	37,816	(6,154)
Decrease (Increase) in Prepaid Expenses and Other Current Assets	21,609	237,536
Decrease in Related Party Receivable	-	-
Increase in Deposits	(1,776)	(1,537)
Increase in Inventory	23,894	(50,047)
(Increase) Decrease in Other Assets	15,649	(105,582)
Increase in Accounts Payable and Accrued Expenses	(155,540)	214,104
Increase in Deferred Lease Obligation	161,156	176,271
Increase in Related Party Payables	-	-
Increase in Accrued Interest	234,223	203,638
Net Cash Used in Operating Activities	(781,672)	(438,003)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment in Subsidiaries	16,000	-
Purchase of Fixed Assets	(48,800)	(9,513)
Net Cash Used in Investing Activities	(32,800)	(9,513)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Issuing Long Term Debt, Net of Discount	536,438	400,000
Proceeds from Issuing Convertible Debt	263,000	50,000
Payments of Convertible Debt	-	-
Principal Payments on Long Term Debt	(33,001)	(162,329)
Proceeds from the Sale of Common Stock	82,218	187,700
Net Cash Provided by Financing Activities	848,655	475,371
Effect of Exchange Rates on Cash Flows	38,605	(47,968)
Net Increase (Decrease) in Cash and Cash Equivalents	72,788	(20,113)
Cash and Cash Equivalents at Beginning of Period	12,915	33,619
Cash and Cash Equivalents at End of Period	85,703	13,506

NON-CASH INVESTING AND FINANCING ACTIVITIES

Shares issued to retire debt	\$	261,765	\$	-
Interest expense added to loan principal	\$	469,099	\$	382,115
				-

SUPPLEMENTAL CASH FLOW INFORMATION:

Cash paid during the year for:

Interest	\$	-	\$	-
Income taxes	\$	-	\$	-

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

PLANDAI BIOTECHNOLOGY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2016
(Unaudited)

NOTE 1 - NATURE OF OPERATIONS AND GOING CONCERN

Plandai Biotechnology, Inc.'s (the "Company" or "Plandai") consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The financial statements do not include any adjustment relating to recoverability and classification of recorded amounts of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company's continued existence is dependent upon its ability to continue to execute its operating plan and to obtain additional debt or equity financing. There can be no assurance the necessary debt or equity financing will be available, or will be available on terms acceptable to the Company.

Plandai and its subsidiaries focus on the development and production of proprietary botanical extracts for the nutraceutical and pharmaceutical industries. The Company grows much of the live plant material used in its products on a 3,237-hectare (approx. 8,000 acre) estate it operates under a 49-year notarial lease in the Mpumalanga region of South Africa. Plandai uses a proprietary extraction process that is designed to yield highly bioavailable products of pharmaceutical-grade purity. The first product brought to market was Phytofare™ Catechin Complex, a green-tea derived extract that has multiple potential wellness applications. Additional extracts utilizing citrus and tomato are in various stages of development and testing. The Company's principle holdings consist of land, farms and infrastructure in South Africa. The Company is actively pursuing additional financing and has had discussions with various third parties, although no firm commitments have been obtained. Management believes these efforts will generate sufficient cash flows from future operations to pay the Company's obligations and realize positive cash flow. There is no assurance any of these transactions will occur.

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES

Basis of Presentation

The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The accompanying financial statements represent the results of operations for the three and six ended December 31, 2016 and 2015. The Company has adopted the US dollar as the reporting currency for accounting and reporting purposes.

This summary of accounting policies for Plandai Biotechnology, Inc. and its wholly-owned subsidiaries, is presented to assist in understanding the Company's financial statements. The accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Interim Financial Statements

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to form 10Q and Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In our opinion the financial statements include all adjustments (consisting of normal recurring accruals) necessary in order to make the financial statements not misleading. Operating results for the three months ended September 30, 2016 are not necessarily indicative of the final results that may be expected for the year ended June 30, 2017. For more complete financial information, these unaudited financial statements should be read in conjunction with the audited financial statements for the year ended June 30, 2016 filed with OTC.

Use of Estimates

The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. In preparing the financial statements, management is required to make estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the balance sheet and statement of operations for the year then ended. Actual results may differ from these estimates. Estimates are used when

accounting for allowance for bad debts, collect ability of accounts receivable, amounts due to service providers, depreciation and litigation contingencies, among others.

Business Combinations and Acquisitions

The disclosure requirements for business combination and acquisitions are intended to enable users of financial statements to evaluate the nature and financial effects of:

- A business combination that occurs either during the current reporting period or after the reporting period, but before the financial statements are issued
- Adjustments recognized in the current reporting period that relate to business combinations that occurred in current and previous reporting periods
- The nature of the relationship between the parent and a subsidiary or investee when the parent does not have 100 percent ownership or control

The Company discloses each material business combination in the period in which the business combination occurs. The Company also discloses information about acquisitions made after the balance sheet date, but before the financial statements are issued. Gains or losses arising from the deconsolidation of a business when the company loses control of that business are also disclosed. Acquisition costs incurred such as legal, advisory and consulting fees are expensed as incurred. In accordance with ASC 805-10-25-1, ASC 805-10-05-4 and IFRS 3.4, 5, the Company employs the Acquisition Method of accounting for routine acquisitions and combinations.

Net Loss Per Common Share

The Company adopted FASB ASC Topic 260, *Earnings Per Share*. Basic earnings per share is based on the weighted effect of all common shares issued and outstanding and is calculated by dividing net income (loss) available to common stockholders by the weighted average shares outstanding during the period. Diluted earnings per share is calculated by dividing net income available to common stockholders by the weighted average number of common shares used in the basic earnings per share calculation plus the number of common shares, if any, that would be issued assuming conversion of all potentially dilutive securities outstanding. For all periods diluted earnings per share is not presented, as potentially issuable securities are anti-dilutive.

In January 2014, the Company issued warrants to purchase 5,000,000 shares of the Company's common stock which have a strike price of \$0.01/share. On November 10, 2015, the Company issued warrants to purchase 2,500,000 shares of the Company's common stock at an exercise price of \$0.10 per share, such warrants expiring three years after issuance. The warrants were issued as part of a stock purchase agreement with a third party. On August 31, 2016, the Company issued warrants to purchase 1,466,666 shares of the Company's common stock at an exercise price of \$0.03 per share, such warrants expiring 5 years from the date of issuance. The warrants were issued as consideration for debt financing.

During the year ended June 30, 2015, a total of 1,666,666 warrants were exercised utilizing a "cashless" option resulting in the issuance of 1,629,212 shares of restricted common stock. During the three months ended December 31, 2016, a further 1,466,666 warrants were exercised resulting in the issuance of 3,497,061 shares of restricted common stock, leaving 5,833,334 outstanding exercisable warrants at December 31, 2016; however, since the Company incurred a loss for all periods presented, the warrants are considered anti-dilutive.

Recent Accounting Pronouncements

Recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force), the AICPA, and the SEC did not or are not believed by management to have a material impact on the Company's present or future financial statements.

NOTE 3 – FIXED ASSETS

Fixed assets are stated at cost, less accumulated depreciation, and consist of plant and equipment, machinery, leasehold improvements, furniture and fixtures, automobiles, and computers. As of December 31, 2016 and June 30, 2016 fixed assets consisted of the following:

	December 31, 2016	June 30, 2016
Total Fixed Assets	\$ 7,773,619	\$ 7,111,787
Less: Accumulated Depreciation	(1,389,420)	(1,029,390)
Fixed Assets, net	<u>\$ 6,384,199</u>	<u>\$ 6,082,397</u>

The increase in fixed assets results in part from the fluctuation of the South African Rand against the U.S. Dollar, as all of the Company's fixed assets are located in South Africa, offset by acquisitions and depreciation expense, which is likewise effected by currency fluctuations.

Depreciation expense

Depreciation expense for the three and six months ended December 31, 2016 was \$125,371 and \$252,341 compared to \$133,303 and \$276,974 for the three and six months ended December 31, 2015. The difference between accumulated depreciation and depreciation expense results from the application of the currency adjustment.

NOTE 5 –NOTES PAYABLE

As of the dates presented, the long-term loan balances were as follows:

	Interest Rate	Due Date	September 30, 2016	June 30, 2016
Loan Principle and Interest - Land Bank	See below	See below	\$ 9,181,642	\$ 7,492,375
Notes Payable – other third party	6%	July 1, 2017	6,900,000	6,900,000
Less: Discount			<u>(279,081)</u>	<u>(311,283)</u>
			15,802,561	14,081,092
Less: Current Portion			<u>(15,802,561)</u>	<u>(14,081,092)</u>
Long Term Debt, Net of Discount			<u>\$ -</u>	<u>\$ -</u>

Notes Payable – other third party

Between November 25, 2013 and June 4, 2015, the Company issued a total of \$6,500,000 in notes payable to a third party, the proceeds from which were used for working capital purposes. In July 2015, the Company issued a note payable for \$400,000 to the third party in exchange for cash of \$384,170 and payment of expenses on behalf of the Company of \$15,830. The note bears interest at 6% per annum and was originally due February 1, 2016.

Collectively, these notes total \$6,900,000 as of September 30, 2016 and June 30, 2016, and were due and payable twelve months after issuance. The Company subsequently renegotiated the due date on each of these notes to July 1, 2017. The Company is not required to make monthly payments on any of these notes. As of December 31, 2016 and June 30, 2016, the Company recorded accrued interest pertaining to the outstanding notes payable in the amounts of \$928,962 and \$720,488, respectively.

Land and Agriculture Bank of South Africa

In June 2012, the Company, through the majority-owned subsidiaries of Dunn Roman Holdings, Inc., executed final loan documents on a 100 million Rand (approx. \$6.5 million USD at current rates) financing with the Land and Agriculture Bank of South Africa ("Land Bank"). The total loan is comprised of multiple agreements totaling, between Green Gold Biotechnologies (Pty) Ltd. and Breakwood Trading 22(Pty) Ltd., 100 million rand (approx. \$6.5 million USD at current exchange rates). The loans all bear interest at the rate of prime plus 0.5% per annum and are all due in seven years. In addition, the loans have a 25-month "holiday" in which no payments or interest are due until 25 months after the first draw down of funds. The loans are collateralized by the assets and operations, including the Senteeko lease, agriculture production and receivables of Dunn Roman Holdings, which is the African operating arm of Plandaí. In addition, Dunn Roman Holdings was required to grant a 15% profit share agreement to the Land Bank which extends through the duration of the loan agreements (7 years unless pre-paid). The profit share agreement extends only to profits generated by Dunn Roman Holdings exclusive of operations of Plandaí and outside of South Africa. By way of loan covenants, the borrowing entities are required to maintain a debt to equity ratio of 1.5:1, interest coverage ratio of 1.5:1, and security coverage ratio of 1:1, none of which are currently in compliance. However, the Company consistently notified the Bank of this situation and has

requested written documentation as to the Bank's intention. The Bank has provided documentation extending the "holiday" at least through December 2016. As of and through the date of this report, the Land Bank has not provided any notice of default or requested compliance with the terms of the loans.

During the year ended June 30, 2012, the Company issued 1,500,000 shares of restricted common stock to three Dunn Roman shareholders in exchange for their shares of Dunn Roman Holdings which had been previously issued. The acquired Dunn Roman shares were then provided to third parties in order to comply with the BEE provisions associated with the loan from the Land Bank of South Africa, which required that 15% of Dunn Roman be owned by non-white South Africans. The Company has therefore determined to treat the value of the shares issued to acquire the Dunn Roman stock (\$585,000, based on the value of shares on the date of issuance) as a cost of securing the financing and recorded as a loan discount which is amortized over the life of the loan (7 years). During the three months ended December 31, 2016 the Company amortized \$16,101, leaving a debt discount balance of \$279,081 at December 31, 2016.

During the three months ended December 31, 2016, the Dunn Roman borrowed and additional 9,000,000 Rand (approximately \$690,000 US) from the Land Bank for operational purposes and to acquired fixed assets. This amount was added to the original loan principal and has the same features and obligations.

As of December 31, 2016, a total of \$9,181,642, which includes capitalized accrued interest, was owed to the Land Bank. The proceeds were used to purchase fixed assets that are employed in South Africa to produce the Company's botanical extracts, fund the rehabilitation of the Senteeko Tea Estate, including the repair of roads, bridges, and onsite management and farm worker housing, and the pruning, weeding and fertilizing of the plantation. As the 25-month holiday in which no payments or interest are due expired in July of 2014, the Company is required to make monthly payments of approximately 2,250,000 South African Rand (approximately \$145,000 US Dollars). During the year ended June 30, 2016, the Company paid approximately \$162,329. Commencing August 2015, the Company ceased making payments to the Land Bank and has been in discussions to renegotiate the payment terms of the obligation. The Land Bank has been cooperative in this effort and has not expressed any intention to foreclose or accelerate the debt balances. Inasmuch as the Company is out of compliance with certain loan covenants including the non-payment of scheduled monthly amounts due under the various leases, the Company has elected to classify the entire balance owed to the Land Bank as "current" in the accompanying balance sheets as of December 31, 2016 and June 30, 2016.

NOTE 6 – NOTES PAYABLE TO RELATED PARTIES

On January 1, 2016, the Company borrowed £35,000 (\$50,526 at March 31, 2016), from the son of Roger Baylis-Duffield, the Company's Chief Executive Officer, the proceeds from which were used for general operating purposes. The note bears interest at the rate of 15% per annum, with interest due semi-annually, and the balance plus any accrued interest due and payable on December 31, 2016. In December, 2016, the Company and lender agreed to extend the terms of the note until June 30, 2017.

NOTE 7 – CONVERTIBLE NOTES PAYABLE

	Principal Balance	Loan Discount	Accrued interest
June 30, 2016	\$535,000	\$(381,165)	\$17,451
Issued in the period	263,000	(263,000)	-
Converted into shares of common stock	(227,218)	-	(34,396)
Payments of principal and interest	-	-	-
Amortization of debt discount	-	278,718	-
Interest accrued	-	-	49,759
September 30, 2016	<u>\$570,782</u>	<u>\$(365,447)</u>	<u>\$32,814</u>

The Company evaluated the terms of the conversion features of its convertible debentures in accordance with ASC Topic No. 815 - 40, *Derivatives and Hedging - Contracts in Entity's Own Stock* and determined they are indexed to the Company's common stock and the conversion features meet the definition of a liability, and therefore bifurcated the conversion features and accounted for them as a separate derivative liability.

On March 21, 2016, the Company executed a convertible promissory note in the amount of \$52,500 with Essex Global Investment Corp. The note bears interest at 10% per annum and is due and payable March 21, 2017. The note has conversions rights at 50% of the lowest trading price of the Company's common stock over the twenty days prior to conversion. On September 15, 2016, this note was purchased from Essex by EMA Financial LLC, who subsequently converted \$13,750 into 2,500,000 shares of common stock in accordance with the conversion terms of the note. In March 2017, EMA sold the balance of the note to Black Mountain Equities.

On November 12, 2015, the Company executed a convertible promissory note with a maximum principal amount of \$250,000. Amounts received under this promissory note are issued net of a 10% original issue discount. Each payment of consideration matures one year from the date of distribution. The lender can convert the outstanding principal of the convertible promissory note into shares of the common stock at any time at the lesser of \$0.10 per share or 50% of the lowest trade share price occurring in the previous 20 trading days prior to conversion. On July 18, 2016, the Company received \$50,000, net of a discount of \$5,000, with the aggregate principal balance to be repaid being \$55,000 and bringing the total owing under the note to \$110,000. The debt discount on this advance was recorded as a reduction of the convertible debenture and is being amortized over the life of the convertible debenture. The Company valued the conversion features on this advance at origination at \$60,249 using the Black Scholes valuation model with the following assumptions: dividend yield of zero, 12-month term to maturity, risk free interest rate of 0.5% and annualized volatility of 73%. \$50,000 of the value assigned to the derivative liability was recognized as a debt discount on the convertible debenture. The debt discount was recorded as reduction to the convertible debenture and is being amortized over the life of the convertible debenture. The balance of \$10,249 of the value assigned to the derivative liability was recognized as origination interest on the derivative liability and expensed on origination. ASC 815 requires assessment of the fair market value of derivative liability at the end of each reporting period and recognition of any change in the fair market value as other income or expense.

On August 25, 2016, the Company executed a convertible promissory note with a maximum principal amount of \$600,000. Amounts received under this promissory note are issued net of a \$54,000 original issue discount which is applied pro-rata on each advance. Each payment of consideration matures one year from the date of distribution. The lender can convert the outstanding principal of the convertible promissory note into shares of the common stock at any time at 60% of the lowest trade share price occurring in the previous 25 trading days prior to conversion. On August 31, 2016, the Company received \$50,000, net of a discount of \$5,000, with the aggregate principal balance to be repaid being \$55,000. The debt discount on this advance was recorded as a reduction of the convertible debenture and is being amortized over the life of the convertible debenture. The Company valued the conversion features on this advance at origination at \$60,249 using the Black Scholes valuation model with the following assumptions: dividend yield of zero, 12-month term to maturity, risk free interest rate of 0.5% and annualized volatility of 73%. \$50,000 of the value assigned to the derivative liability was recognized as a debt discount on the convertible debenture. The debt discount was recorded as reduction to the convertible debenture and is being amortized over the life of the convertible debenture. The balance of \$10,249 of the value assigned to the derivative liability was recognized as origination interest on the derivative liability and expensed on origination. ASC 815 requires assessment of the fair market value of derivative liability at the end of each reporting period and recognition of any change in the fair market value as other income or expense.

On September 22, 2016, the Company executed a 10% interest convertible promissory note in the amount of \$57,500. The lender can convert the outstanding principal and accrued interest of the convertible promissory note into shares of the common stock at 50% of the lowest trade share price occurring in the previous 20 trading days prior to conversion. The Company received \$50,000 upon closing of the note, net of a debt discount of \$7,500, and the aggregate principal balance to be repaid being \$57,500. The debt discount was recorded as a reduction of the convertible debenture and is being amortized over the life of the convertible debenture. The Company valued the conversion features on this advances at origination at \$57,187 using the Black Scholes valuation model with the following assumptions: dividend yield of zero, 12-month term to maturity, risk free interest rate of 0.65% and annualized volatility of 35%. \$50,000 of the value assigned to the derivative liability was recognized as a debt discount on the convertible debenture. The debt discount was recorded as reduction to the convertible debenture and will be amortized over the life of the convertible debenture. The balance of \$7,187 of the value assigned to the derivative liability was recognized as origination interest on the derivative liability and expensed on origination. ASC 815 requires assessment of the fair market value of derivative liability at the end of each reporting period and recognition of any change in the fair market value as other income or expense.

On November 1, 2016, the Company received the proceeds from two \$50,000 promissory notes that were issued in January and February 2016, respectively. The lender can convert the outstanding principal and accrued interest of the convertible promissory note into shares of the common stock at 50% of the lowest trade share price occurring in the previous 20 trading days prior to conversion. The Company received \$90,000 in aggregate upon closing of the notes, net of a debt discount of

\$10,000, and the aggregate principal balance to be repaid being \$100,000. The debt discount was recorded as a reduction of the convertible debenture and is being amortized over the life of the convertible debenture. The Company valued the conversion features on notes at funding at \$100,162 using the Black Scholes valuation model with the following assumptions: dividend yield of zero, 12-month term to maturity, risk free interest rate of 0.65% and annualized volatility of 32%. \$100,000 of the value assigned to the derivative liability was recognized as a debt discount on the convertible debenture. The debt discount was recorded as reduction to the convertible debenture and will be amortized over the life of the convertible debenture. The balance of \$162 of the value assigned to the derivative liability was recognized as origination interest on the derivative liability and expensed on origination. ASC 815 requires assessment of the fair market value of derivative liability at the end of each reporting period and recognition of any change in the fair market value as other income or expense.

Changes in Derivative Liabilities

June 30, 2016	\$1,022,472
Value acquired during the period	248,007
Settled on issuance of common stock	-
Settled on payment of outstanding principal and interest	-
Revaluation on settlement on issuance of common stock or reporting date	(526,741)
December 31, 2016	<u>743,738</u>

NOTE 8 – DEFERRED LEASE OBLIGATIONS

Plandai's subsidiaries have two long-term, material leases which either have escalating terms or included several months of "free" rent, including the 49-year notarial lease for the Senteeko Tea Estate. In accordance with US Generally Accepted Accounting Principles, the Company has calculated a straight-line monthly cost on the leases and recorded the corresponding difference between the amount actually paid and the amount calculated as a Deferred Lease Obligation. As of December 31, 2016 and June 30, 2016 the amount of this deferred liability was \$1,831,449 and \$1,527,019, respectively.

Plandai's subsidiary, Dunn Roman Holdings – Africa (Pty) Ltd., executed a sublease on the Bonokado Farm in South Africa to a third party. Bonokado currently farms avocado and macadamia nuts, neither of which factor into the Company's future business model. The lease is for 20 years and includes 24 months of deferred rent while the farm is rehabilitated by the sublessor. The lease requires monthly payments of \$3,643 (R650,000 annually) to the Company commencing in November 2016 with escalating payments of 8% per annum over the life of the lease. In accordance with US Generally Accepted Accounting Principles, the Company has calculated a straight-line monthly value attributable to the lease and recorded the corresponding difference between the amount actually paid and the amount calculated as a Lease Receivable in Other Assets. As of December 31, 2016 and June, 2016, the amount of this receivable was \$111,292 and \$118,038, respectively. Over the life of the sublease, a total of R12,718,632 (\$855,379) will be paid to the Company.

NOTE 9 – FOREIGN CURRENCY TRANSLATION ADJUSTMENT

The Company's principle operations are located in South Africa and the primary currency used is the South African Rand. Accordingly, the financial statements are first prepared in using Rand and then converted to US Dollars for reporting purposes, with the average conversion rate between July and September being used for income statement purposes and the closing exchange rate as of September 30 applied to the balance sheet. Differences resulting from the fluctuation in the exchange rate are recorded as an offset to equity in the balance sheet. In the three and six months ended December 31, 2016, the Company recorded a foreign currency translation adjustment loss of \$122,637 and \$351,321, respectively.

NOTE 10 – COMMON STOCK

During the six months ended December 31, 2016, the Company issued a total of 72,293,150 shares of restricted common stock as follows:

5. The Company issued 26,040,000 restricted common shares for services valued at \$287,580, of which 7,000,000 shares were issued under two consulting agreements to third parties on July 1, 2016 and 18,840,000 were issued September 1, 2016 to pay accrued salaries to officers of the Company.
6. The Company issued 36,259,123 restricted shares on the conversion of notes payable and accrued interest totaling \$261,765.

7. The Company issued 6,496,966 restricted shares in exchange for cash of \$82,218.
8. The Company issued 3,497,061 on the exercise of warrants.

Common Stock Issuable

Pursuant to two agreements executed on March 1, 2013 by the Company with two of its officers, the Company is obligated to issue 3,000,000 common shares at the end of each completed year for services rendered to the Company. The Company records the value of these shares on quarterly basis based on the value of the stock on the date of the agreements (March 1, 2013). As of December 31, 2016 and June 30, 2016, the Company had accrued salary relative to the value of the common shares issuable pursuant to the employment agreements of \$150,000 and \$60,000 respectively.

NOTE 12 – WARRANTS

On January 28, 2014, the Company signed an agreement with Diego Pellicer, Inc. under which the Company received a license to use the Diego Pellicer name and likeness on a future cannabis-based extract which is under development. As consideration for the license, the Company issued warrants to purchase 5,000,000 shares of the Company's common stock at a purchase price of \$0.01 per share.

The Company originally recorded a value of \$5,749,985 as an asset. However, as the cannabis extract was still in development, the intangible licenses asset balance was deemed fully impaired as of June 30, 2014, leaving a zero asset balance. Accordingly, the Company recorded an impairment expense of \$5,749,985. Should the cannabis extract come to market, the value of the license will be re-evaluated.

On November 10, 2015, the Company issued warrants to purchase 2,500,000 shares of the Company's common stock at an exercise price of \$0.10 per share, such warrants expiring three years after issuance. The warrants were issued as part of a stock purchase agreement with a third party.

On August 31, 2016, the Company issued warrants to purchase \$44,000 in shares of the Company's common stock at an exercise price of the lower of \$0.03 per share or the lowest trade price over the 20 days prior to exercise, such warrants expiring 5 years from the date of issuance. The warrants were issued as consideration for debt financing and were exercised during the current quarter, resulting in the issuance of 3,497,061.

The following table summarizes share warrants activity for the periods presented:

	Number of Share Warrants	Weighted Average Exercise Price (\$) per Share	Weighted Average Remaining Contractual Life
Warrants outstanding, June 30, 2016	5,833,334	\$ 0.05	5.0 years
Issued	1,466,666	0.03	5.0 years
Exercised	(1,466,666)	-	-
Cancelled	-	-	-
Expired	-	-	-
Warrants outstanding, December 31, 2016	<u>5,833,334</u>	\$ 0.05	4.7 years
Warrants exercisable, December 31, 2016	<u>5,833,334</u>	\$ 0.05	4.7 years

The following table summarizes information about warrants outstanding as of December 31, 2016:

Exercise Price	Number of Warrants Outstanding	Weighted Average Life of Warrants Outstanding In Years
\$0.01	3,333,334	6.9 years
\$0.10	2,500,000	1.8 years
	<u>5,833,334</u>	

NOTE 13 – NON-CONTROLLING INTEREST

Plandáí owns 100% of Dunn Roman Holdings—Africa, which in turn owns 74% of Breakwood Trading 22 (Pty), Ltd. and 84% of Green Gold Biotechnologies (Pty), Ltd., in order to be compliant with the Black Economic Empowerment rules imposed by the South African Land Bank. While the Company, under the Equity Method of Accounting, is required to consolidate 100% of the operations of its majority-owned subsidiaries, that portion of subsidiary net equity attributable to the minority ownership, together with an allocated portion of net income or net loss incurred by the subsidiaries, must be reflected on the consolidated financial statements. On the balance sheet, minority interest has been shown in the Equity Section, separated from the equity of Plandaí, while on the income statement, the minority shareholder allocation of net loss has been shown in the Consolidated Statement of Operations.

NOTE 14 – RELATED PARTY TRANSACTIONS

The Company had the following related party transactions during the six months ended December 31, 2016.

Related Party Payables

As of December 31, 2016 and June 30, 2016, the Company owed a total of \$16,024 and \$14,886, respectively, to Roger Duffield, our Chief Executive Officer, for advances made to one of the Company's South African subsidiaries in the ordinary course of business. The advances are non-interest bearing and payable on demand.

Compensation to Officers and Management

Pursuant to employment agreements executed on March 2, 2013 with two of the Company's officers, the Company is also obligated to issue 3,000,000 common shares at the end of each completed year for services rendered to the Company. At September 30, 2016 and June 30, 2016, with regards to the future issuance of 3,000,000 shares, the Company accrued compensation expense for services completed in the amount of \$150,000 and \$60,000, respectively, as common stock issuable.

NOTE 15 – SUBSEQUENT EVENTS

Management has evaluated subsequent events pursuant to the requirements of ASC Topic 855 and has determined that no material subsequent events exist through the date of this filing apart from the following:

- 2,000,000 shares of restricted common stock were issued for cash proceeds of \$20,000.
- The Company acquired 90,000 shares of the Series D Preferred Stock of Protext Mobility, representing 65% of the voting capital of Protext, in exchange for all of the capital of the Company's subsidiary, Plandaí Biotechnology South Africa (Pty) Ltd., which is engaged in pharmaceutical research. Ancillary to this transaction, the Company sold all of the capital of Cannabis Biosciences, Inc. to Protext in exchange for 60 million shares of Protext common stock. As a result of these transactions, both Plandaí Biotechnology South Africa and Cannabis Biosciences became wholly-owned subsidiaries of Protext Mobility. In March 2017, the 90,000 shares of Series D Preferred Stock were transferred into an irrevocable trust of which Plandaí is the beneficiary; however, Plandaí does not have voting control over the shares in the trust and has no liquidation authority. As a result, Plandaí is not considered the beneficial owner of the Protext shares and will not consolidate Protext operations in their financial statements.
- The Company issued a Promissory Note in the amount of \$55,000 to an unrelated third party in exchange for \$50,000 in proceeds. The note is due May 1, 2017.
- The Company received 60,000,000 shares of common stock previously issued to Moor Holdings, a trust benefiting Roger and Daron Baylis-Duffield, in exchange for 100,000 shares of Series A Preferred Stock. The Series A Preferred shares are convertible into 60 million shares of the Company's common stock and have voting rights equal to all of the shares of the Company's common stock outstanding plus one share. The 60 million shares of common stock received in this transaction were returned to treasury and cancelled.