AgriMarine Holdings Inc.

Benxi Farm

Benxi Hatchery

Middle Bay Farm

Management's Discussion & Analysis

For the three and six months ended September 30, 2011 and 2010

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The following Management's Discussion and Analysis ("MD&A") for the six months ended September 30, 2011 was prepared by management on November 28, 2011 for AgriMarine Holdings Inc. and its subsidiaries (collectively, "AgriMarine" or the "Company"). The MD&A should be read in conjunction with the unaudited interim condensed consolidated financial statements of the Company for the three and six months ended September 30, 2011, and related notes attached thereto, as well as the audited Annual Financial Statements and MD&A for the year ended March 31, 2011. The Company's interim condensed consolidated financial statements are prepared in accordance with International Financing Reporting Standards ("IFRS") applicable to the preparation of interim financial statements including IAS 34 Interim Financial Reporting and IFRS 1 First Time Adoption of International Financial Reporting Standards and are reported in Canadian dollars. They do not include all the information required for full annual financial statements. The comparative financial information in this report for the period of 2010 has been restated in accordance with IFRS, while the information for the year 2009 is presented in accordance with Canadian GAAP and has not been restated.

The Audit Committee of the Board of Directors, composed of independent directors, has reviewed the MD&A and other publicly reported financial information for usefulness, reliability and accuracy.

Additional information relevant to the Company is available for review on SEDAR at www.sedar.com.

1. Forward-Looking Statements

Certain statements contained in this MD&A constitute forward-looking statements. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements.

Based on current available information, the Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that those expectations will prove to be correct. The forward-looking statements in this MD&A are expressly qualified by this statement, and readers are advised not to place undue reliance on the forward-looking statements.

While the Company may elect to, the Company does not undertake to update this information at any particular time except as required in accordance with applicable securities legislation.

2. Description of Business

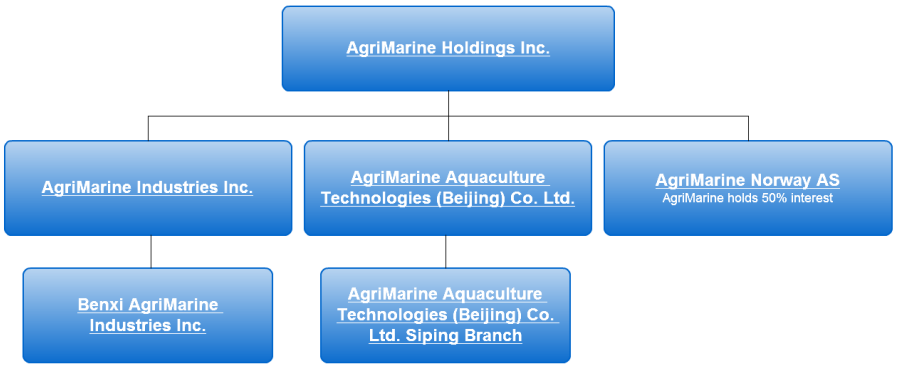
2.1 Organizational Structure

AgriMarine Holdings Inc. is a Canadian-based aquaculture technology company engaged in producing fish commercially using its proprietary solid-wall containment systems and in developing licensing opportunities utilizing this technology. The Company's technology addresses many of the environmental issues that plague net cage fish rearing practices worldwide, offers a better farm management system with added environmental benefits and meets consumer and retailer demands for sustainable aquaculture.

AgriMarine Industries Inc. was established under the provisions of the Business Corporations Act (British Columbia) on December 31, 1993, upon the amalgamation of Envirocon Pacific Ltd., a salmon fishery consulting firm, and Big Tree Creek Hatchery Corporation, a salmon hatchery business. In 1995, the name was changed to "AgriMarine Industries Inc". On April 15, 2009 AgriMarine Industries Inc. completed its reverse takeover of Axea Energy Inc. ("Axea"), a publicly traded company on the TSX Venture Exchange by way of triangular amalgamation (the "RTO"). Axea, now the parent company, changed its name to "AgriMarine Holdings Inc." and began trading on June 3, 2009 under the stock ticker symbol FSH. Shares of

the Company are also listed on the Frankfurt Stock Exchange (trading symbol: A2G) and on the OTCQX, the premier tier of the OTC market in the US (trading symbol: AGMHF). The Company is a reporting issuer in the provinces of British Columbia and Alberta.

As of November 29, 2011, the Company wholly owns four subsidiary companies directly and indirectly and a 50% share interest AgriMarine Norway AS, a jointly held entity. The following is the organizational chart of the Company:



AgriMarine Industries Inc. oversees operations and business development opportunities in Canada. This subsidiary is also a Consortium Member of the Middle Bay Project along with the Middle Bay Sustainable Aquaculture Institute and the Gordon and Betty Moore Foundation. This subsidiary holds **Benxi AgriMarine Industries Inc.,** registered as a Wholly Foreign Owned Enterprise in China for the commercial application of its technology for rearing trout and salmon at Benxi, Liaoning Province.

AgriMarine Aquaculture Technologies (Beijing) Co. Ltd. was established as a Foreign-Invested Commercial Enterprise Entity ("FICE") in order to provide local support to distributors and expand sales of its fish products in China. This subsidiary functions as an investment arm of the Company for the purposes of identifying business development opportunities and forming strategic relationships to expand operations throughout China. A branch office of this subsidiary has been registered in connection with planned operations in Siping City.

The Company announced the formation of a subsidiary under the name **AgriMarine Norway AS** ("AgriNor"), together with two arm's length parties for the licensing of its technology, supply of proprietary rearing tanks and know-how throughout Europe. AgriMarine holds 50% interest in AgriNor, and has representation on the board of directors pursuant to a shareholders agreement.

2.2 Company Strategy

The Company is in the business of developing proprietary solid-wall closed containment technologies and related systems (the "AgriMarine System") to address sustainability issues in finfish aquaculture and to improve the efficiency of performance of fin fish production. Through its operating subsidiaries, the Company is demonstrating the superiority of its farming technologies by building and operating showcase facilities based on the AgriMarine System. Based on the proven sustainability and economic performance advantages shown at these farms, the Company intends to optimize the value extracted from sales and licensing agreements for its proprietary intellectual property. Recent trends in fin fish production practices and related legislation in multiple jurisdictions are favoring a move to closed containment technology from

traditional net pen production and the Company can now demonstrate that it has the lowest cost and highest operational efficiency method for making this transition.

The Company anticipates revenue generation under one or more of the following business models:

- **Build and Operate** – under this model the Company provides the capital and operating costs associated with fish production and collects proceeds from the sale of harvested fish.

- **Joint Venture** – under this model the Company and one or more joint venture partners share the capital and operating costs associated with fish production with the Company as operator. Proceeds from the sale of harvested fish are shared among the partners.

- **Technology Licensing** – under this model AgriMarine makes its technology available to third parties in exchange for a production royalty on fish harvested using its technology.

Potential revenue streams from any of the above business initiatives may be recurring from long-term ongoing operating contracts or license agreements.

2.3 Global Market for Aquaculture

Aquaculture has emerged as an increasingly important contributor to supply the global demand for fish and seafood over the last 15 years as levels of most wild stocks around the world have either reached a plateau or are in decline. The Food and Agriculture Organization ("FAO") of the United Nations estimates that as much as 84 percent of global marine fish stocks are now fully exploited, over-exploited or depleted, confirming a consistent decrease since 1974 in marine fish stocks with little or no potential for further exploitation.[1]

According to FAO, the world's growing population will significantly increase the demand for fish and seafood by 2030. Aquaculture is set to overtake wild fisheries as a source of food fish and the sector is growing at an average annual rate of 6.6 per cent. Aquaculture is an alternative avenue for mitigating the threats to the world's fisheries. Fish farms can protect and offset the damage to wild fish stocks due to overfishing and climate change, while supporting employment in the industry and meeting global food demands.

The Company's proprietary floating solid wall containment systems bridges the gap between traditional methods of fish farming and high-cost land based systems, and utilizes cutting edge technology systems to produce fish sustainably, without polluting the marine environment.

Spot market price and derivatives contracts for Atlantic salmon are set and traded on FishPool ASA, an international commodity exchanged based in Bergen, Norway. Over 50% of the world's fresh Atlantic salmon is produced in Norway and Europe.

Salmon prices have been in steep decline from record highs gained during 2009-2011[2]. During this period, Norway aggressively ramped up its salmon production capability to fill the void left by the devastation of the Chilean salmon industry due to an outbreak of infectious salmon anemia (ISA) virus. As Chilean salmon production volumes have now begun to return, world market salmon prices are being affected by Chilean supply, oversupply of product and soft consumer demand notably in Europe due to high retail prices and

[1] Food and Agriculture Organization of the United Nations: The State of World Fisheries and Aquaculture 2010 "World Review of Fisheries and Aquaculture", *http://www.fao.org/fishery/en*

[2] Fish Pool Index Weekly spot prices - *http://www.fishpool.eu*

economic turbulence. With added competition from Chile, it is likely that downward price pressure will continue to be exerted over the next few quarters until the supply imbalance is fixed. Average prices for 2012 are projected to remain soft in the first half of the year but is expected that prices will recover as global demand for salmon is projected to grow at a rate of 9% annually[3] (outpacing the historical average year over year growth of 6.6 percent).

All medium to long term trends are positive with a combination of expanding new markets in BRIC countries (Brazil, Russia, India and China) and Asia. It is expected that the existing salmon market will continue to expand due to increased demand from a growing middle-age population who make up the high volume consumers.

AgriMarine is less vulnerable to pricing fluctuations in the spot commodity market in China due to a number of factors. First, AgriMarine has a substantial competitive advantage by producing its salmon locally. Flown in from overseas, salmon imported into China is subject to delays in customs, inspections and quarantines. Because of its local production in China, AgriMarine's salmon is recognized for its quality and freshness, its environmentally sustainable practices and the Company's ability to deliver freshly harvested fish to major cities overnight. Second, the Company is working towards securing fixed price supply contracts with major retailers in China to further protect its salmon production from commodity price fluctuations. The Company's salmon supply in Canada is already protected under a similar contract with a major retailer based in California, USA.

2.4 Business Activity

China Operations

Benxi Farm & Hatchery

The Company began the commercial application of its solid wall containment technology with the purchase of a cold water hatchery to supply fry for the grow-out of fish. In conjunction with the hatchery purchase, the Company was granted extensive water rights in the Benxi region of Liaoning Province for integrated closed containment rearing of market size fish. The hatchery has significant warm artesian ground water which provides an optimum temperature range for early culture of ova and fry. The Company began importing fertilized trout and salmon eggs (Chinook and Coho) from Canada in 2008 under a series of import certificates from China and export approvals from Canadian regulatory agencies. Benxi AgriMarine will continue to import ova until it develops its own brood stock in China. The Canadian based ova were selected from well-known high performance west coast fish stocks.

The Company's first solid-wall containment system was installed at Guanmenshan power reservoir in September 2009 and stocked with a test crop of steelhead trout, and has now expanded to 4 tanks with a rearing capacity of over 200,000 fish. A further 4tanks are planned for installation at this site over the balance of 2011 and early 2012.

Working through distributors in Beijing and Shanghai, AgriMarine is currently selling fresh and frozen product to hotel and restaurant customers, and value-added operators throughout China.

Zhoushan Yellow Croaker Project

In May 2010 the Company commenced rearing of Yellow Croaker at its Canadian designed recirculating aquaculture system ("RAS") facility in conjunction with Zhoushan Fisheries Research Institute ("ZFRI"). Pursuant to the Agreement with ZFRI, the Company designed and built the facility and ZFRI provided juvenile

[3] Norwegian Seafood Export Council (NSEC)

Yellow Croaker for rearing to market size. This fish are expected to reach harvest weight in December 2011 and will be sold prior to Spring Festival. The Company will then consider larger commercial production in conjunction with ZFRI.

Canadian Operations

Middle Bay Demonstration Project

The Company developed its solid wall containment technology over a 5 year period in British Columbia at a land-based facility. The Company is illustrating the application of its technology in a marine environment at the demonstration project in Middle Bay at Campbell River, BC. In this regard, the Company entered a commercial and technology agreement with Middle Bay Sustainable Aquaculture Institute ("MBSAI"), a not-for-profit organization, for the construction and operation of a 4-tank commercial marine farm utilizing the technology. MBSAI and AgriMarine subsequently signed a consortium agreement with the Gordon and Betty Moore Foundation and Sustainable Development Technology Canada for grants in support of the project. In August 2011, SDTC increased their contribution to the project as a result of an increase in the total project budget to $ 17.4 million.

AgriMarine and MBSAI launched the first marine based, commercial scale, solid-wall containment tank for the Middle Bay Project in January 2011. The tank was stocked with Chinook salmon fingerlings which are scheduled for harvest in spring 2012. Three additional tanks will be installed in 2012 and also stocked with Chinook salmon.

3. Subsequent Events

There were no events of a material financial nature subsequent to the quarter end.

4. Outlook

China Operations

The Company now has a fully functional farm in the Guanmenshan Reservoir in Liaoning Province and the corporate and hatchery infrastructure to support development in northern China . The Company has a well-defined strategy for rapid expansion in China, the world's fastest growing economy. Because of its innovative clean technology, AgriMarine was able to establish a strong foothold in China as the only domestic commercial producer of salmon based on scalable floating closed containment. AgriMarine is positioned to benefit from the growing middle class in China that consume salmon as a luxury item and that has an established and solid market in the country. In addition to the environmental advantages of the Company's rearing process, AgriMarine's fish exhibit firmer flesh quality, closer to that of wild caught fish than net-cage farmed fish.

In China, aquaculture products are marketed in live form so as to meet consumer preferences for live fish and fishery products. AgriMarine can deliver freshly harvested fish 'next day' to major Chinese markets, and benefits from no import taxes or high air freight charges. Typically, imported fresh salmon takes up to four days (unless subject to additional quarantine procedures) to arrive at Chinese markets after being flown in from Europe or the Americas. Since December 2010, salmon imported from Norway has been subject to additional inspections, resulting in lengthy quarantines..

Canadian Operations

In Canada, progress continues to be made with the First Nation projects with all parties involved in active negotiation. The Middle Bay Demonstration Project has attracted a considerable amount of media attention

and this exposure has resulted in inquiries from suppliers and retailers across North America. The Company's subsidiary, AgriMarine Industries Inc., has signed a four-year agreement with Safeway Inc. for the supply of Chinook salmon raised at the Middle Bay Sustainable Aquaculture Institute's (MBSAI) Campbell River rearing facility in British Columbia, utilizing AgriMarine's environmentally sustainable rearing system. The signed sales agreement will provide significant and stable revenue from the harvest of fish in Campbell River.

Other Initiatives

1. The Company is also actively pursuing expansion into other key salmon producing markets, particularly in Europe, through licensing agreements, royalty agreements and joint venture partnerships. Both in Norway and Scotland the salmon farming industry continues to receive criticism from government and environmental groups over the use of toxic chemicals to control parasite outbreaks and damage to the environment and wild stocks. The Company, through its Norwegian subsidiary AgriMarine Norway AS, will apply for a concession in Norway in which to demonstrate its solid wall containment system.

2. AgriMarine and Pearl River Fisheries Institute ("Pearl River") in Guangzhou, Guangdong Province are continuing to work under an agreement for the collaborative research, development and commercialization of vaccines not currently available in China for the prevention and treatment of various bacterial and viral diseases affecting cold water fish. In conjunction with Pearl River research teams, the Company has acquired technology for the development of a cold water fish vaccine for the IHN virus which affects salmonids in China. In September, the Company vaccinated all of their salmon stocks in the Benxi hatchery which will soon be transferred to the reservoir rearing system.

3. AgriMarine is also undertaking research projects to demonstrate the application of its technology to other fin fish species such as Yellow Croaker and Bluefin Tuna. Pending successful outcomes, economic viability would be assessed and could result in additional commercial opportunities. The research agreement provides for the joint commercialization for Yellow Croaker rearing in the AgriMarine System.

5. Results from Operations

	Three months ended September 30, 2011	Three months ended September 30, 2010	Six months ended September 30, 2011	Six months ended September 30, 2010
	$	$	$	$
Sales	111,544	112,274	116,560	112,274
Gross profit	19,786	19,359	20,329	19,359
Operating expenses	(1,456,072)	(1,219,301)	(2,567,248)	(1,867,063)
Other expenses	(54,591)	(105,402)	(106,085)	(251,246)
Net loss	(1,490,876)	(1,305,344)	(2,653,003)	(2,086,669)
Other comprehensive loss	428,866	(47,802)	451,367	29,610
Net loss per share	(0.03)	(0.02)	(0.04)	(0.05)

6. Comparison of Results for the Three Months Ended September 30, 2011 and 2010

The results for the three months ended September 30, 2011 are prepared in accordance with International Financial Reporting Standards ("IFRS"). The comparative financial information for the corresponding period in 2010 has been restated in accordance with IFRS. For further information on the transition to IFRS, please refer to Adoption of International Financial Reporting Standards ("IFRS") of this management discussion and analysis as well as Note 21 of the Company's interim condensed September 30, 2011 consolidated financial statements.

Revenue

The Company currently has two revenue generating units, Benxi AgriMarine and AgriMarine Industries, which are dedicated to rearing fish in closed containment systems. As of September 30, 2011, one tank has been installed to produce Chinook salmon in AgriMarine Industries and four tanks in Benxi AgriMarine to produce large steelhead trout and Chinook salmon. Benxi AgriMarine conducted the first harvest in Benxi from September to November 2010, and commenced the second harvest in July 2011. The salmon reared at Middle Bay will be ready for the first harvest in the early summer of 2012.

For the three months ended September 30, 2011, the Company generated revenue of $112 thousand, which is the same as the revenue generated from the same period in 2010. Despite the comparable sales revenue generated in these two quarters, the unit volume (i.e. kg) decreased by 4,381kg (i.e. 19%), while the unit selling price increased by $1.24/kg (i.e. 25%) in Q2 2011, compared to the same period in 2010. The higher unit selling price in Q2 2011 compared to Q2 2010 is attributed to the following factors. First, the average fish size sold in Q2 2011 was higher than in comparison to Q2 2010. Additionally, increased sales and marketing efforts to place the second harvest with high-end corporate clients have been successful in attracting long-term customers who are prepared to pay a premium to ensure supply of the Company's high quality fish from future harvests.

As salmon require 15-18 months to grow to target harvest size, there is a lead time before installed tanks will have a meaningful contribution to revenue generation. With the addition of more tanks in the future, and as current crops reach target harvest size, the Company expects fluctuations to revenue generation to stabilize as fish are harvested and sold year round.

Cost of goods sold

Cost of goods sold for the second quarter of 2011 was $92 thousand, which remains the same as that of the comparable period in 2010. The unit cost increased by $0.93/kg (i.e. 19%) in the second quarter of 2011 when compared to the same period in 2010, as a result of the larger size of fish was sold. As mentioned above, the sales volume decreased by 19%.

Gross Profit

The gross profit for the second quarter of 2011 is comparable to that of the same period in 2010. However, the gross profit per kg increased by $0.3kg, or 37%, from $0.83/kg in Q2 2010 to $1.13/kg in Q2 2011. The increased gross profit is the result of higher selling price in Q2 2011 compared to the same period of 2010.

Operating expenses

Selling, general and administrative ("SG&A") expenses increased to $1.5 million in the second quarter of 2011, an increase of $0.2 million, or 16%, compared to the same period in 2010. The increase in SG&A expenses is primarily attributable to the increase of $0.3 million in the stock option compensation expenses in Q2 2011 compared to the same period in 2010.

Finance expenses
Finance expenses incurred during the second quarter of 2011 were $77 thousand, decreasing by $62 thousand when compared to $139 thousand in the second quarter of 2010. This decrease in finance expenses is due primarily to repayment of a long term loan in June 2011 of $0.3 million.

Fair value adjustment on biological assets
Under IFRS, biological assets are required to be recorded at fair market value and are re-measured each reporting period. In accordance with the Company's accounting policy regarding the biological assets, the trout over 1kg and salmon over 1.5kg were measured at fair market value, while the fish under the designated threshold was valued at cost. The change in fair value for the three months ended September 30, 2011 was a gain of $18 thousand versus a gain of $8 thousand for the same period in 2010.

Comparison of Results for the Six Months Ended September 30, 2011 and 2010

The results for the six months ended September 30, 2011 are prepared in accordance with International Financial Reporting Standards ("IFRS"). The comparative financial information for the corresponding period in 2010 has been restated in accordance with IFRS. For further information on the transition to IFRS, please refer to Adoption of International Financial Reporting Standards ("IFRS") of this management discussion and analysis as well as Note 21 of the Company's interim condensed September 30, 2011 consolidated financial statements.

Revenue, cost of goods sold and gross profit
As the Company's revenue in the first quarter of 2011 was close to nil (i.e. $5 thousand of revenue, and $4 thousand of cost of sales) and there was no revenue in the first quarter of 2010, the changes in revenue, cost of goods sold and gross profit in Q2 2011 compare to Q2 2010 represent the changes for the six months ended September 30, 2011, compared to the same period in 2010. Please see the discussion above.

Operating expenses
Selling, general and administrative ("SG&A") expenses increased to $2.6 million in the six months ended September 30, 2011, an increase of $0.7 million, or 38%, compared to the same period in 2010. The increase in SG&A expenses is attributable to the business expansion of the Company and increase of $0.3 million in stock option compensation expenses in the six months ended September 30, 2011 compared to the same period in 2010.

Finance expenses
Finance expenses incurred during the six months ended September 30, 2011 were $0.2 million, decreasing by $86 thousand compared to the $0.3 million the same period of 2010. The decrease in finance expenses is primarily due to repayment of a long term loan in June 2011 of $0.3 million.

Fair value adjustment on biological assets
Under IFRS, the biological assets are required to be recorded at fair market value and are re-measured each reporting period. In accordance to the Company's accounting policy regarding the biological assets, the trout over 1kg and salmon over 1.5kg are measured at fair market value, while the fish under the designated threshold is valued at cost. The change in fair value for the six months ended September 30, 2011 was a gain of $144 thousand versus a loss of $15 thousand in the same period of 2010.

7. Financial Condition Review

Total assets were $8.1 million as at September 30, 2011, representing an increase of $2.5 million from the total assets as at March 31, 2011. The increase is mainly due to the increase in live fish inventory at both Benxi AgriMarine and AgriMarine Industries, and prepaid expenses and property and equipment. The increase reflects the business expansion of the two major operations of the Company.

Total liabilities increased by $1.0 million, or 25%, from $4.0 million at March 31, 2011 to $5.0 million at September 30, 2011. The increase is primarily the result of a $1.1 million outstanding balance of deposit received from MBSAI for the commitment of building the second tank for the demonstration of close-containment technology in Campbell River operation. See discussion in Section 12 *Related Party Transactions* below in this management discussion and analysis.

As at September 30, 2011, there were 84,682,197 common shares outstanding. In addition, there were 7,625,000 stock options outstanding with exercise price per share ranging between $0.10 and $0.53 and 30,565,816 warrants outstanding with exercise price per share ranging between $0.30 and $0.50. Detailed information regarding these instruments is set out in Note 12 of the Company's interim condensed September 30, 2011 consolidated financial statements.

8. Working Capital, Liquidity and Capital Resources

As at September 30, 2011, the Company had cash of $0.9 million, as compared to $0.5 million at March 31, 2011.

The Company's primary source of cash flow is from financing activities, including issuance of common shares through private placement and long-term borrowing. The principal use of proceeds from financing activities is for both operational and capital expenditures, including the purchases of additional raw materials for rearing fish and installation of additional tanks and other equipment as required to increase production.

During the three months ended September 30, 2011, cash flow from financing activities was nil, which was the same as the same period of 2010. Cash flow for the six months ended September 30, 2011 through the sales of securities amounted to $2.8 million, when compared to the same period in 2010 of $4.2 million.

Given that the Company is still at the development stage, the cash flow from the operating activities is still negative in the six months ended September 30, 2011 (i.e. $2.0 million). However, the cash used in operating activities in the six months ended September 30, 2011 decreased by $0.9 million, compared to the same period in 2010, as a result that MBSAI deposited the first installment to AgriMarine Industries Inc. with a balance of $1.1 million for the supply of the second rearing tank. See discussion in Section 12 *Related Party Transactions* in this management discussion and analysis.

Cash used in investing activities in the second quarter of 2011 amounted to $0.7 million, an increase of $0.2 million, compared to the second quarter of 2010. Cash is mainly used in purchasing fixed assets.

Future operating and capital expenditures in excess of the Company's currently available resources are expected to be satisfied through a combination of debt and equity, with the relative proportion to be determined based on the Company's operating performance from time to time, as well as the conditions, cost, and availability of capital in debt and equity markets.

The Company has not been profitable since its inception, and given that the Company's operations are not yet sufficiently advanced to demonstrate profitability, it is challenging for the Company to demonstrate the financial performance required to access debt capital. Management is confident however that as production volumes increase and profitability is achieved, it may be able to show sufficient cash flow to be able to access debt markets, on acceptable terms and at an acceptable cost.

9. Summary of Quarterly Results

The following table summarizes selected financial information from the Company's prior interim financial statements:

Three months ended	Sales Revenue	Operating expenses	Other income (loss)	Net loss	Loss Per Share
	$	$	$	$	$
September 30, 2011	111,544	1,456,071	(54,591)	1,490,876	0.03
June 30, 2011	5,016	1,111,176	(64,456)	1,162,127	0.02
March 31, 2011	215,805	1,813,573	25,500	1,861,580	0.03
December 31, 2010	226,893	1,383,845	25,500	1,562,634	0.03
September 30, 2010	112,274	1,219,301	25,500	1,313,902	0.02
June 30, 2010	-	635,481	25,500	757,670	0.02
March 31, 2010	-	1,569,691	68,995	1,674,803	0.07
December 31, 2009	-	467,816	29,722	530,719	0.02

10. Capital Commitments

According to the approval of the Foreign Business Bureau of Beijing on November 16, 2010, the total registered capital of US$1,000,000 is required to be contributed in form of cash to Beijing AgriMarine, a wholly owned subsidiary of the Company, before November 15, 2012. The Company has contributed US$330,000 in cash with a balance of US$670,000 outstanding as at September 30, 2011. The Company contributed US$200,000 in cash to Beijing AgriMarine on November 3, 2011. The outstanding balance is US$470,000 to date.

Pursuant to a shareholders' agreement dated July 22, 2011, the Company is obliged to provide AgriNor, a jointly held entity, with initial working capital in the amount of CAD$250,000 before November 30, 2011. In August 2011, the Company paid the first installment in amount of $80,000 to AgriNor. As of September 30, 2011, an amount of $170,000 is required to be paid to AgriNor before November 30, 2011.

11. Related Party Transactions

Since a director of both Middle Bay Sustainable Aquaculture Institute ("MBSAI") and Middle Bay Properties Inc. ("MBPI") is also a director and officer of the Company, MBSAI and MBPI are identified as related parties of the Company.

(a) Transaction with MBSAI

In accordance with the revised agreement signed in August 2011, the Company is partnering with Middle Bay Sustainable Aquaculture Institute ("MBSAI"), Middle Bay Property Incorporation ("MBPI") to undertake a project to demonstrate and commercialize the closed containment salmon rearing technology developed by the Company ("Project"). The Project is to build and operate four containment aquaculture tanks with an estimated cost of $ 17.6 million. The Company is responsible for project management, information collection, project documentation and other related tasks. Title and ownership of Project assets including demonstration tanks belong to MBSAI. Tanks are leased to the Company to raise Salmon for three years upon the completion

and installation of the tanks. The Company pays monthly rent of $500 for each tank and biomass harvest fee of $0.05 per kg based on the farm gate price of salmon of approximately $4.5 per kg. The Company entered into an agreement with MBSAI in August 2010 to design and construct the first closed containment aquaculture tank at Middle Bay for a fixed price of $1.8 million plus the applicable taxes. The construction of the first tank was completed and rented to the Company in January 2011.

In August 2011, the agreement of the design and construction of the second closed containment aquaculture tank at Middle Bay was entered into between the Company and MBSAI for a fixed price of $2.4 million plus the applicable taxes. Upon the signing of the agreement, the Company received the first installment of $1,200,000 from MBSAI for the design and construction of the tank, which is expected to be completed and installed by January 2012. As at September 30, 2011, the Company has incurred project management cost in amount of $100,000, and therefore leaves the balance of the deposit received from MBSAI at $1,100,000.

(b) Transaction with MBPI

The Company entered into a commercial lease agreement with MBPI on January 1, 2009 to lease a marine site and adjacent land owned by MBPI to build facilities for researching and commercialization of closed containment salmon rearing technology with an annual rent of $120,000 for five years.

In January 2009, the Company entered into an agreement to provide accounting and management services to MBPI, with a monthly fee of $8,500.

12. Disclosure Controls and Procedures and Internal Control over Financial Reporting

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believe that any disclosure controls and procedures or internal control over financial reporting, no matter how well conceived and operated, can provide only reasonable and not absolute assurance that the objectives of the control system are met. Further, the design of a control system reflects the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected.

The Company's management has evaluated the design and effectiveness of the Company's disclosure controls and procedures. Based upon the results of that evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed in reports it files is recorded, processed, summarized and reported within the appropriate time periods and forms.

The Company's management has also evaluated the design and operating effectiveness of the Company's internal control over financial reporting as of the end of the period covered by this report. The risk of a significant error is mitigated by the active involvement of senior management and the board of directors in all the affairs of the Company; open lines of communication within the Company; the present levels of activities and transactions within the Company being readily transparent; and the thorough review of the Company's financial statements by management and the board of directors. Based on the result of the assessment, the Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's internal controls over financial reporting have been adequately designed.

There have been no changes in the Company's internal control over financial reporting during the quarter ended September 30, 2011 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

13. Adoption of International Financial Reporting Standards ("IFRS")

The Company has adopted IFRS effective April 1, 2011 and prepared comparative financial information using IFRS for the year ended March 31, 2011. Prior to the adoption of IFRS, the Company prepared its financial statements in accordance with Canadian Generally Acceptable Accounting Principles ("Canadian GAAP"). For a discussion of our significant accounting policies, please refer to note 2 of the financial statements.

Due to the difference between IFRS and Canadian GAAP, there are some changes to the statement of financial positions and statement of comprehensive income. Reconciliations between IFRS and Canadian GAAP have been prepared for the comparative periods to reconcile the financial positions, shareholders' equity and comprehensive income. The reconciliations and description of the impact of the conversion to IFRS are presented in note 21 of the financial statements for the period ended September 30, 2011.

14. Critical Accounting Policies and Estimates

The Company's significant accounting policies are presented in note 2 of the financial statements for six months ended September 30, 2011. Certain of these policies involve critical judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income and expenses. The estimates and underlying assumptions are based on past experience and other factors perceived to be relevant and probable when the judgments were made. Estimates are reviewed on an ongoing basis and the changes to the accounting estimates are accounted prospectively.

Significant areas where judgments and estimates are required include: biological assets valuation and income taxes. These critical judgment and estimates are discussed in detail in note 2 of the financial statement.

15. Risks and Uncertainties

Due to the nature of the Company's business and present stage of development, the Company is subject to significant risks. Risk factors relating to the Company include, but are not limited to, major customers and key personnel, reliance on banking facilities and dependence on sustainability of customer orders, the risk that the Company's business plan may fail, risks relating to operations, risks related with compliance with environmental protection regulations, risks related to uninsurable or uninsured risks, risks related to the start-up of The Company's technology business and risks related to conflicts of interest of directors and officers.

What follows below is an abbreviated discussion of certain of the above noted risk factors. A more comprehensive discussion of the risks and uncertainties of the Company's business are described in detail in the Management Discussion and Analysis for the year ended March 31, 2011 as filed on SEDAR and on the Company's website, agrimarine.com

Crop Failure
All fish farming operations are vulnerable to failure to produce a crop. Most salmon crop failures are a direct result of disease, plankton infestation and/or contamination of the fish population from outside sources. Fish may also be adversely affected by a failure to properly oxygenate their rearing habitat. The Company has taken exhaustive steps, through the design of its facilities and through the monitoring and management of fish stocks, to ensure that none of these conditions could cause the wholesale loss of an entire crop. Each of

the life support systems is backed up with alternate supply facilities and the separation of groups of fish in the rearing containers will minimize the impact of any adverse event that may affect the fish populations. Feed conversions and feed quality may affect the production of biomass which could lower the yield of and size of cultured salmon, resulting in lower than anticipated harvest size and lower revenue.

Early Stage Development
The Company is at an early stage of development and subject to start-up risks and will therefore be subject to the risks associated with early stage companies, including startup losses, lack and uncertainty of revenues, markets and profitability and the need to raise additional funding.

Foreign Currency Exchange Risk
The Company is subject to foreign currency exchange rate risks in particular the risk relating to the fluctuation in value among the Canadian dollar and the Renminbi ("RMB"). The Company's major operating expenses and fixed assets in the PRC are denominated in RMB. Consequently, the Company's profitability and value of assets are subject to exchange rates risks among Canadian dollars and RMB. A rising RMB relative to the Canadian dollar would increase operating costs and thus affect the profitability of the Company.

Dependence on, and Protection of, Key Personnel
The Company is dependent upon the continued support and involvement of its directors and officers to develop its business and operations. If the Company were to lose their services, the Company's ability to implement its business plans could be severely curtailed or delayed.

Liquidity Concerns and Future Financing Requirements
The Company may require additional financing in order to fund its plan of operations. The Company's ability to arrange such financing in the future will depend in part upon prevailing capital market conditions, as well as the Company's resulting business success. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the same. If additional financing is raised by the issuance of common shares from treasury, control of the Company may change and Shareholders may suffer additional dilution. If adequate funds are not available, or are not available on acceptable terms, the Company may not be able to take advantage of other opportunities, curtail business operations or cancel planned projects, or otherwise remain in business. Events in the equity market may impact the Company's ability to raise additional capital in the future.

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