AFFINOR
GROWERS

# MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended May 31, 2014

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This Management Discussion and Analysis ("MD&A) dated May 31, 2014 has been prepared according to *Regulation 51 102 of the continuous disclosure requirements* and approved by the Company's Board of Directors.

This MD&A should be read in conjunction with the Company's consolidated financial statements on May 31, 2014. The Company's audited financial statements have been prepared in compliance with the International Financial Reporting Standards (IFRS). The monetary presentation currency is the Canadian dollar (Cdn $) and all the amounts in the MD&A are in Canadian dollars.

## 1.0 DATE

This MD&A report is for the year ended May 31, 2014 with additional information up to September 29, 2014.

## 2.0 CAUTION REGARDING PROSPECTIVE INFORMATION

Certain statements in this document, which are not supported by historical facts, are of a prospective nature, which means that they involve risks, uncertainties and elements which could make actual results differ from the results predicted or implied by these same prospective elements. There are many factors that could cause such differences, including the instability in market prices of metals, the impact of fluctuations in interest rates and foreign currency exchange rate, poorly estimated reserves, risks to the environment (more stringent regulations), unexpected geological situations, adverse mining conditions, political risks arising from mining in developing countries, regulation and government policy changes (laws or policies), failure to obtain necessary permits and approvals from government authorities, and any other risks associated with the operation and development.

Although the company believes that the assumptions arising from the prospective statements are reasonable, it is strongly recommended not to place undue reliance on these statements, which are valid only until the time of this writing. Except when it is required by law, the Company disclaims any intention or obligation with respect to updating or revising any prospective statement.

## 3.0 BUSINESS DESCRIPTION AND CONTINUITY OF EXPLOITATION

The Company was incorporated under the Canadian Business Corporations Act on August 27, 1996.

The Company is focused on the agriculture industry within North America.

For the year ended May 31, 2014, the Company recorded a net loss of $ 8,121,543 ($ 233,877 at May 31, 2013). Besides the usual needs for working capital, the Company must obtain funds to enable it to meet its existing commitments under the exploration programs and to pay its overhead and administrative costs.

The Company's consolidated financial statements were prepared according to International Financial Reporting Standards (IFRS) including the assumption of continuity of operations. They do not reflect adjustments that should be made to the book value of assets and liabilities, the reported amounts of revenues and expenses and the classification of statement of financial position postings if the assumption of continuity of operations were unfounded. These adjustments could be important.

## 4.0 OVERVIEW

The Company is a diversified publicly traded company on the Canadian Securities Exchange under the symbol ("AFI"). The Company is also listed on the Frankfurt Exchange under the symbol 1AF and on the US OTCQB under the symbol RSSFF.

The Company began as Affinor Resources Inc., a company with mining projects in Québec, Canada. The Company recognized a great opportunity when they discovered a team that was developing a system to mass produce pesticide-free, non Genetically Modified Organism ("GMO") plants, just as the medical marihuana frenzy was beginning in North America.

The Company is focused on mass producing, high quality, in-demand produce and pharmacy grade plants for global distribution. The team is currently working towards becoming a grower of premier Medical Marihuana and set to produce other major cash crops such as Romaine Lettuce and Strawberries while waiting for Health Canada licenses and approvals.

The Company plans to produce fresh, non-GMO, delicious food grown in pristine environments without pesticides or chemicals. The Company will begin shortly to facilities to grow dark, leafy green vegetables such as Spinach and Lettuce and Strawberries with a near zero-water waste. The Company plans to be an industry leader growing water-fed, nutrient rich strawberries, free of sprayed chemicals, food dyes, mold, field rot and pesticides.

The Company will grow in a safe and secure environment with focus on analytical results.

The Company's proprietary technologies control precise combinations of light, temperature, water, and nutrients to create specific growing conditions that result in optimum crop production, product quality, and shelf life. No current growing methods compare to the Company's software-driven, automation technology that results in Grade A1 mechanically pollinated strawberries.

The high demand for strawberries, lettuce, and other crops is due to a lack of domestic suppliers. Canada may be home to some of the best organic berry-growing conditions in the world, but its short growing season has created a strong demand for what the Company's technology can produce.

### 5.0 HIGHLIGHTS SUMMARY

**On June 17, 2013**, the Company acquired the SP Property. The SP property contains 7 mining claims and covers 325 hectares. According to the terms of the transaction, the Company acquires 100 % of the 7 claims in exchange of the issuance of 985,000 common shares of the Company.

**On June 17, 2013**, the Company appointed M. Sébastien Plouffe as director, president and Chief executive officer of the Company taking over for M. Claude Veillette who will remain Chairman of the board of directors.

**On June 17, 2013** the Company closed a non brokered private placement in the amount of $ 96,500, trough the sale of 6,433,333 common shares priced at 0.015 $ each. Approximately 49 % of the common shares were acquired by related party members of the Company. The Company was granted an exemption to the CNSX minimum price rule.

**On July 31, 2013**, the Company closed the second tranche of a non brokered private placement in the amount of 32,500 $, trough the sale of 2,150,000 common shares priced at 0.015 $ each. Approximately 23 % of the common shares were acquired by the president and chief executive officer of the Company. The Company was granted an exemption to the CNSX minimum price rule.

**On July 31, 2013** the Company entered into an agreement to early convert the $ 295,751 convertible debenture as well as its accrued interest of $ 14,915 by the issuance of 6,213,320 common shares at a deemed price of $ 0.05 per share.

**On July, 31 2013**, the board of directors of the Company approved the granting of incentive stock options under its stock options plan to its directors to acquire up to an aggregate of 2.5 million common shares. All the options are exercisable for a period of five years at a price of $ 0.10

**On March 24, 2014**, the Company hired Momentum Public Relations Inc. to provide market awareness, investor relations services and strategic business development.

Under the agreement of 12 months, Momentum will receive a monthly consulting fee of $ 5,000 and 420,000 stock options of the Company at an exercise price of $ 0,10 for a period of five years.

**On March 25, 2014**, the Company announced its plans to diversify into the medical marijuana and industrial hemp industries. These emerging multibillion-dollar industries are in the process of significant regulatory and legal reform that offers explosive growth opportunities to participants. The Company intends to consolidate fragmented growers and work with dispensaries to obtain the new marijuana for medical purposes regulations licence. Currently management is reviewing a number of business plans and proposals, as well as adding industry expertise to its advisory board in anticipation of its new business focus.

The Company is reviewing opportunities in the United States, where legislation permits, and will look to expand operations throughout North America with the forward-looking concept that more American states will adopt this new pro-marijuana legislation. The United States is undergoing medical marijuana reform, with 20 states now recognizing legal medical marijuana, including Colorado and Washington, which have legalized recreational use, with additional states contemplating legalization.

**On March 28, 2014**, the Company entered into an agreement for debt settlement payable with shares. The Company issued 614,000 common shares at a deemed price of $ 0.25 per share.

**On April 1st, 2014**, the Company has appointed Dr. Sazzad Hossain on its advisory board. The Company has granted 100,000 stock options to Mr. Sazzad to purchase common shares of the company at an exercise price of $ 0.25 per share for a period of five years.

**On April 4, 2014**, the Company announced the closing of first tranche of a non-brokered private placement for gross proceeds of $ 1,007,659. Each unit is comprised of one common share and one whole share purchase warrant of the Company. The common share purchase warrant has a term of two years exercisable at $ 0.40 with an early exercise provision when the common shares of the Company trade above $ 0.75 for 20 consecutive trading days. A cash commission equal to 10 per cent of the gross proceeds of the private placement shall be payable.

The Company entered into an agreement to satisfy outstanding endebtness of $ 153,500 by the issuance of 614,000 common share at a deemed price of $ 0.25 per share.

**On April 9, 2014**, the Company has appointed Tegan Adams as chief operating officer. The Company has granted 100,000 stock options to Mrs. Adams to purchase common shares of the Company are exercisable on or before April 9, 2019, at an exercise price of $0.25 per share for a period of 5 years.

**On April 9, 2014,** the Company has appointed Dr. Hyder A. Khoja has advisory board. The company has granted 100,000 incentive stock options to Dr. Khoja to purchase common shares of the company at an exercise price of $ 0.25 per share for a period of 5 years.

**On April 10, 2014,** the Company named Greg Dennison as chief financial officer of the Company. The company granted 100,000 incentive stock options to Mr. Dennisson to purchase common shares at an exercise price of $ 0.25 per share for a period of 5 years.

**On April 14, 2014**, the Company named Nick Brusatore to executive advisor board. The Company has granted 10 000 000 share of the company to MR. Brusatore to to prepare and execute the business model and financial plan required for the full-scale, mass production of marijuana for medical purposes. Mr. Brusatore will also receive an additional 5 000 000 shares when the company is granted its licence for production. The company has granted 1 000 000 incentive stock options to Mr. Brusatore to purchase common shares of the company. The options are exercisable on or before April 14, 2019, at an exercise price of 25 cents per share. The company has agreed to release a 10-per-cent finder's fee, payable in shares, to Michael Flowerdew for facilitating the agreement with Mr. Brusatore.

**On April 23, 2014**, the Company announced the closing of second and final tranche of a non-brokered private placement for gross proceeds of $ 1,526,750. Each unit is comprised of one common share and one whole share purchase warrant of the Company. The common share purchase warrant has a term of two years exercisable at $ 0.40 with an early exercise provision when the common shares of the Company trade above $ 0.75 for 20 consecutive trading days. A cash commission equal to 10 per cent of the gross proceeds of the private placement shall be payable.

### 5.0 HIGHLIGHTS SUMMARY (continued)

**On April 24, 2014,** the Company named Greg Dennisson to chief financial officer of the Company taking over for Mr. Martin Nicoletti who will remain Chairman of the board. The company granted 100 000 incentive stock options to Mr. Dennisson to purchase common shares of the Company. The options are exercisable on or before April 09, 2019 at an exercise price of $ 0.25 per share.

**On May 8, 2014,** the Company acquires 100 per cent of a private company in the final stage of obtaining their medical marijuana license. The Company is located in the province of British Columbia. The company issue 2,765,000 common shares and 2,435,000 common shares when the issuance of a licence to D&G.

**On May 9, 2014,** the company nominated Mr. Brusatore as chairman of the board of direction. Mr Brusatore is the president of Vertical Farming technology and was nominated for the AGRI award of excellence for Canada in 2012. The company has granted 250,000 incentive stock options to Mr. Brusatore to purchase common shares of the company. The options are exercisable on or before May 9, 2019, at an exercise price of $0.45 per share

**On May 27, 2014,** the company announce the appointment of Thomas Baumann to is advisory board. Mr. Baumann is a member of the North American Strawberry Growers Association, the American Society of Horticultural Sciences and current Director of the Pacific Berry Resource Centre at UFV. The company has granted 100,000 incentive stock options to Thomas Baumann to purchase common shares of the company. The options are exercisable on or before May 27, 2019, at an exercise price of $0.49 per share

**On May 30, 2014,** the company announce the appointment of Dr. Andrew Riseman to is advisory board. Dr. Andrew Riseman is a UBC Senator and professor of plant breeding and genetics. The company has granted 100,000 incentive stock options to Dr. Andrew Riseman to purchase common shares of the company. The options are exercisable on or before May 30, 2019, at an exercise price of $0.73 per share

### 6.0 SELECTED ANNUAL INFORMATION

The Company's Consolidated Financial Statements for the years ended May 31, 2014, 2013 and 2012 have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The following selected financial information is taken from the Annual Consolidated Financial Statements and should be read in conjunction with those statements.

| | **For the years ended** | | |
|---|---|---|---|
| | **May 31, 2014** | **May 31, 2013** | **May 31, 2012** |
| **Statements of Financial Position** | | | |
| | **$** | **$** | **$** |
| Cash | 1,944,644 | 26,237 | 130 |
| Total assets | 2,164,849 | 142,829 | 28,538 |
| Total liabilities | 249,850 | 289,122 | 301,450 |
| Shareholder's equity | 1,914,999 | (146,293) | (272,912) |
| **Statements of Net Loss and Comprehensive Loss** | | | |
| Total revenue | - | - | - |
| Total operating expenses | 8,153,562 | 174,671 | 114,086 |
| Other expenses | 11,164 | 59,206 | - |
| Net loss and comprehensive loss | 8,121,543 | 233,877 | 114,086 |
| Basic and diluted loss per common share | 0.221 | 0.015 | 0.010 |

### 7.0 OPERATION RESULTS

For the year ended May 31, 2014, the Company recorded a net loss of $ 8,127,846 compared to $ 233,877 for the year ended May 31, 2013.

| | For the years ended | |
|---|---|---|
| | **May 31, 2014** | **May 31, 2013** |
| | **$** | **$** |
| Professional fees and consulting fees (a) | 823,287 | 59,247 |
| Management fees (b) | 6,046,298 | 66,000 |
| Share-based payments (c) | 910,462 | - |
| Other operation expensed (d) | 189,153 | 7,776 |
| Loss on impairment and evaluation assets (e) | 120,070 | - |

a) Professional fees and consulting fees increased by $ 764,040. This increase is due to an increase of business activities and the hiring of several consultants. The Company has agreed to pay a 10% finder's fee, payable in shares (1,000,000 common shares) to Michael Flowerdew for facilitating the agreement with Mr. Brusatore. This compensation resulted in an expense of $ 380,000.

b) Management fees increased by $ 5,980,298. The increase is due to the issuance of 10,000,000 common shares to Nick Brusatore, director and chairman of the board to prepare and execute the business model and financial plan required for the full-scale mass production of marijuana for medical purposes. For the issued of the 10,000,000 common shares, the Company recorded an expense of $ 3,800,000. Under the agreement M. Brusatore was entitle to receive an additional 5,000,000 common shares when the Company receives its licence for production. The Company and M. Brusatore agreed to cancel the additional compensation without modifying the services to be rendered with the effect of immediately recognizing the services to be rendered of $ 2,100,000.

c) Share-based payments increased by $ 910,462. The increase is due to the grant of 5,620,000 options to officer, directors and consultants of the Company.

d) Other operations expenses increased by $ 181,377. The increase is due to an increase of business activities.

e) Loss on impairment and evaluation assets increased by $ 120,970. Since the Company has chosen to focus on its culture related activities an impairment was recognized.

### 8.0 QUATERLY REVIEW

| Description | 2014-05-31 | 2014-02-28 | 2013-11-30 | 2013-08-31 |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Income | - | - | - | - |
| Net loss | (7,904,653) | (120,771) | (62,055) | (34,064) |
| Loss per share diluted | (0,221) | (0,003) | (0,002) | (0,001) |

| Description | 2013-05-31 | 2013-02-28 | 2012-11-30 | 2012-08-31 |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Income | - | - | - | - |
| Net loss | (37,235) | (52,605) | (88,410) | (55,627) |
| Loss per share diluted | (0,001) | (0,003) | (0,006) | (0,005) |

### 9.0 RESULTS OF THE FOURTH QUARTER

For the three-month period ended May 31, 2014, the Company recorded a net loss of $ 7,904,653 compared to $ 37,235 for the three-month period ended May 31, 2013.

| | For the three-month period ended | |
|---|---|---|
| | **May 31, 2014** | **May 31, 2013** |
| | **$** | **$** |
| Professional fees and consulting fees (a) | 641,101 | 60,287 |
| Management fees (b) | 5,983,000 | - |
| Share-based payments (c) | 894,099 | - |
| Other operation expensed (d) | 189,153 | - |
| Loss on impairment and evaluation assets (d) | 120,970 | - |

**9.0 RESULTS OF THE FOURTH QUARTER (continued)**

a) Professional fees and consulting fees increased by $ 580,814. This increase is due to an increase of the business activities and hiring of several consultants. The Company has agreed to pay a 10% finder's fee, payable in shares (1,000,000 common shares), to Michael Flowerdew for facilitating the agreement with Mr. Brusatore. This compensation resulted in an expense of $ 380,000.

b) Management fees increased by $ 5,983,000. The increase is due to the issuance of 10,000,000 common shares to Nick Brusatore, director and chairman of the board to prepare and execute the business model and financial plan required for the full-scale mass production of marijuana for medical purposes. For the issued of the 10,000,000 common shares, the Company recorded an expense of $ 3,800,000. Under the agreement M. Brusatore was entitle to receive an additional 5,000,000 common shares when the Company receives its licence for production. The Company and M. Brusatore agreed to cancel the additional compensation without modifying the services to be rendered with the effect of immediately recognizing the services to be rendered of $ 2,100,000.

c) Share-based payments increased by $ 894,099. The increase is due to the grant of 5,620,000 options to officers, directors and consultants of the Company.

d) Other operations expenses increased by $ 181,377. The increase is due to an increase of business activities.

e) Loss on impairment and evaluation assets increased by $ 120,970. Since the Company has chosen to focus on its culture related activities an impairment was recognized.

**10.0 LIQUIDITY AND FUNDING**

The Company continued to utilize its cash resources to fund its administrative requirements and product development. As the Company does not currently generate revenue, cash balances, unless replenished by capital fundraising, will continue to decline as funds are utilized to conduct its operations.

In order to fund the Company's ongoing operational needs, the Company will need funding through equity or debt financing, joint venture arrangements or a combination thereof. The Company's operations to date have been financed by the issuance of its common shares, debt instruments and government assistance. The Company continues to seek capital through various means including the issuance of equity and debt. While the Company has been successful in raising funds in the past, there is no assurance that it will continue to do so in the future or that it will be available on a timely basis or on terms acceptable to the Company.

On May 31, 2014 the Company had working capital of $ 1,909,995 (negative $ 242,127 as at May 31, 2013) including cash of $ 1,944,644 ($ 26,237 as at May 31, 2013) and had an accumulated deficit of $ 14,572,490 ($ 6,395,687 at May 31, 2013) and had incurred a loss of $ 8,121,543 ($ 233,877 at May 31, 2013) for the year ended.

**11.0 RELATED PARTY TRANSACTIONS**

Related party transactions were recorded at the exchange value, which is the consideration determined and agreed to by the related parties.

The Company's related parties include its associate, a related company and joint key management, as described below.

Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances are ussually settled in cash.

**11.1 Transactions with key management**

Key management of the Company are members of the Board of Directors. Key management compensation allocated includes the following expenses:

| | 2014 | 2013 |
|---|---|---|
| | $ | $ |
| Short-term key management benefits | | |
| Social security cost (a) | 807 | - |
| Salaries and consulting fees (a) | 40,415 | - |
| Professional fees (b) | 51,000 | 36,152 |
| Others | 5,862 | - |
| Total short-term management benefits | 98,084 | 36,152 |
| Management fees (c) | 6,046,298 | - |
| Consulting fees (d) | 52,260 | 66,000 |
| Share-based payments (e) | 552,326 | - |
| Total remuneration | 6,847,052 | 102,152 |

In addition, the Company has a payable of $ 34,334 in consulting and management fees to companies controlled by directors of the Company as at May 31, 2014.

### 11.0 RELATED PARTY TRANSACTIONS (continued)

#### 11.1 Transactions with key management (continued)

a) The Company paid in salaries, benefits and consulting fees $ 19,166 ($ nil in 2013) to Tegan Adams the Chief Operating Officer, $ 21,249 ($ nil in 2013) to Greg Dennison and Integra Construction Ltd. A Company controlled by Greg Dennison director of operations.

b) The Company paid $ 51,000 ($ 36,152 in 2013) in consulting fees to Corporation Financière SKTM Ltd. A Company controlled by Martin Nicoletti Chief Financial Officer.

c) The Company issued 10,000,000 common shares with an estimated fair value of $ 3,800,000. The Company and M. Brusatore agreed to cancel the additional compensation without modifying the services to be rendered with the effect of immediately recognizing the services to be rendered of $ 2,100,000 (for the 5,000,000 common shares to be issued under the agreement) for consulting fees and $ 126,298 ($ nil in 2013) to Sediamek a Company controlled by Sébastien Plouffe President and Chief Executive Officer.

d) The Company paid in consulting fees $ 27,260 ($ nil in 2013) to Eddy Omar Escalente former director, $ 15,000 ($ nil in 2013) to Gestion Claude Veillette Inc. a Company controlled by Claude Veillette former president and chief executive officer, $ 10,000 ($ nil in 2013) to Fast Creative Inc. a Company controlled by Colin Wiebe marketing director.

e) The Company granted 4,400,000 stock purchase options (nil in 2013) to officers and directors. The fair market value of these options is $ 522,326 ($ nil in 2013).

### 12.0 OFF-BALANCE SHEET TRANSACTIONS

There are no off-balance sheet transactions.

### 13.0 CONTRACTUAL OBLIGATIONS AND COMMITMENTS

In January 2013, the Company signed a service contract, with a company controlled by one of the officers of the Company, for accounting and financial services for an annual amount of $ 80,000 for the first year and $ 84,000 for the second year. This agreement started on January 1st, 2014 and will end on December 31, 2015. On May 31, 2014, the balance of this commitment was $ 140,000.

In December 2013, the Company signed a service contract, with a company controlled by one of the officers of the Company, for consulting and financial services for an annual amount of $ 123,000 for the first year and $ 150,000 for the second year. This agreement started on December 1st, 2013 and will end on November 30, 2015. On May 31, 2014, the balance of this commitment was $ 225,000.

The Company signed a contract for a consulting service for an amount of $ 24,000. On May 31, 2014 the balance of this commitment was $ 16,000.

The Company signed a contract for a consulting service for an amount of $ 60,000. On May 31, 2014 the balance of this commitment was $ 45,000.

### 14.0 OUTSTANDING SHARE INFORMATION

| | As at September 29, 2014 |
|---|---|
| | Number |
| Common shares | 66,653,656 |
| Warrants | 7,482,636 |
| Brokers warrant | 215,465 |
| Options | 5,450,000 |
| Total common shares fully diluted | 79,801,757 |

### 15.0 EVENTS AFTER THE REPORTING PERIOD

**On June 2, 2014,** the Company announce the appointment of Rick Easthom to is advisory board. The Company has granted to Mr. Easthom 100,000 incentive stock options to purchase common shares. The options are exercisable on or before June 2, 2019, at an exercise price of $0.85 per share.

**On June 6, 2014,** the Company announce the appointment of Carl MacAulay as security director for the Company. The Company has granted to Mr. MacAulay 100,000 incentive stock options to purchase common shares. The options are exercisable on or before June 5, 2019, at an exercise price of $1.03 per share.

**On June 24, 2014,** the Company concludes an agreement for the exclusive technology license with Vertical Designs Ltd. (¨VDL¨), a company under control of a director and an important shareholder of the company. Under the terms of the agreement, the Company issued 666,666 common shares at a deemed price of $ 0.75 per share to VDL and will pay a 5% royalty on the net sales of production.

**On July 11, 2014,** The Company signs a letter of intention (LOI) to acquire VDL under the term of the LOI. The Company is acquiring 100% of VDL shares for an aggregate purchase price of $15-million, payable by the issuance of 17,857,143 common shares of the Company at a deemed price of $ 0.84 per share, subject to due diligence and regularity approval.

**On July 21, 2014,** the Company purchased 45 acres of agriculture property in Saint-Chrysostome Québec for $ 340,000.

**On August 15, 2014,** the Company acquired a 10% interest in Margaux Red Capital ("Margaux"). The Company acquired in the open market 310,000 common shares of Margaux.

**On September 23, 2014,** the Company acquired a 49% interest in Herbal Analytics, a Washington State testing laboratory. Under the term of the agreement, the Company paid $ 150,000 US, $ 150,000 US in a repayable loan over a maximum of 4 years, and issued 949,612 common shares.

**On September 24, 2014,** the Company acquired a 49% interest in Good to Grow LLC, a medical Marijuana dispensary and grower. Under the term of the agreement, the Company will invest $ 600,000 US to improve the existing facility.

## 16.0 FINANCIAL RISK MANAGEMENT

The Company is exposed to various risks related to financial instruments. The financial assets and liabilities of the Company are summarized by category in note 15 of the financial statements. The main types of risks to which the Company is exposed are market risk, credit risk and liquidity risk.

No change has been made in terms of objectives, policies or procedures related to the management of risks arising from financial instruments during periods of financial reporting considered.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to interest rate risk. The objectives of the Company are to ensure cash inflows in the short and medium term, while reducing exposure to capital markets. The Company does not trade in financial assets for speculative purposes.

The main financial risks to which the Company is exposed are detailed below :

### Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets.

The Company manages its liquidity risk by using budgets that enable it to determine the amounts required to fund its obligations.

As at May 31, 2014, all of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

As at May 31, 2014, the Company presents a working capital of $ 196,005. The ability of the Company to continue its activities relies upon the supports of its suppliers and obtaining additional financing.

### Credit risk

Credit risk results from the possibility that a loss may occur from the failure of another party to perform according to the terms of the contract. Cash are held with a Canadian chartered bank which reduces the risks. Also the Company continuously menitors defaults of others parties. No impairment loss has been recognized on the periods presented.

The Group's management considers that all financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality.

## 17.0 OUTLOOK

During the year, the Company is planning to;

- Complete the construction of its Strawberry Facility on farmland acquired in Saint-Chrysostome, Quebec. The Company anticipate to terminate in December 2014 and to begin production in early 2015.
- Improve the facilities and assist the management team of Good to Grow LLC in the state of Washington in fall 2014 for medical marihuana growing operations and to receive the recreational license in 2015.
- Assist the management team of the Herbal Analytic LLC (49% interest) in the state of Washington.
- Complete the require financing to achieve the various objectives.

## 18.0 INFORMATION COMMUNICATION CONTROLS AND PROCEDURES

In accordance with national instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings (''NI 52-109 ''), the Chief Executive Officer (''CEO'') and Chief Financial Officer (''CFO'') of the Corporation will file a Venture Issuer Basic Certificate with respect to the financial information contained in the audited annual financial statements and respective accompanying Management's Discussion and Analysis.

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certification includes a ''Notice to Reader'' stating that chief executive officer and chief financial officer do not make any representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

### 19.0 ADDITIONAL INFORMATION AND CONTINUOUS DISCLOSURE

This MDA was prepared as of September 29, 2014. The Company regularly discloses additional information by filing press releases and quarterly financial statements on SEDAR (www.sedar.com). More information about the Company can be also found on SEDAR (www.sedar.com).

September 29, 2014

(signé) Sébastien Plouffe
Sébastien Plouffe,
President and Chief Executive Officer

(signé) Martin Nicoletti
Martin Nicoletti, CPA, CGA,
Chief Financial Officer