AFFINOR GROWERS

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended May 31, 2015

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This Management Discussion and Analysis ("MD&A) for the year ended May 31, 2015 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 for the year ended May 31, 2015. The Company's audited consolidated financial statements have been prepared in accordance 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, 2015 and considers information up to September 30, 2015.

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 include 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 OPERATIONS

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, 2015, the Company recorded a net loss of $ 5,356,262 ($ 8,121,543 at May 31, 2014). Besides the usual needs for working capital, the Company must obtain funds to enable it to meet its existing liabilities and commitments and to pay its overhead and administrative costs.

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The consolidated financial statements have been prepared on a going concern basis, which assumes the Company will continue its operations in the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations.

The Company is subject to a number of risks and uncertainty associated with the successful development of its major crop products, such as romaine lettuce and strawberries, and with the financing requirements of its operations. The attainment of profitable operations is dependent upon future events, including the successful completion of the Greenhouse project, commercialization of its products and technology and obtaining adequate financing to complete its commercialization plans.

To date, the Company has generated limited revenue and significant losses, has not generated positive cash flows from operations and as at May 31, 2015 has an accumulated deficit of $19,928,752 and negative working capital. It has relied upon financing primarily from private equity placements and exercise of options and warrants to fund its operations and construction of its facility. The Company expects to obtain funding through additional equity offerings and licensing of its technology until it achieves positive cash flows from operations.

The Company's business plan is dependent on raising additional funds to finance its operations and the development of its Greenhouse project within and beyond the next 12 months. While the Company has managed to fund its operations in the past through equity financing, raising additional funds is dependent on a number of factors outside the Company's control, and as such there is no guarantee that it will be able to obtain additional financing in the future. If the Company is unable to obtain sufficient additional financing, it may have to delay, scale back or eliminate construction plans for its present or future facilities and curtail operations, which could harm the business, financial condition and results of operations. This could occur in the near term. Until such financing is secured and profitable operations are reached, there is a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. If the going concern assumption was not appropriate for these consolidated financial statements, then adjustments, which could be material, would be necessary to the carrying value of assets and liabilities, revenues and expenses and classification in statement of financial position.

4.0 OVERVIEW

The Company is a diversified publicly traded company on the Canadian Securities Exchange under the symbol ("AFI"). We are also listed on the Frankfurt Stock 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 focusing 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 Vertical Farming Strawberries and other crops in North America.

4.0 OVERVIEW (continued)

The Company plans to produce fresh, non-GMO, delicious food grown in environments without pesticides or chemicals. The Company began the construction of a facility in the province of Quebec 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. To the knowledge of the Company 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 23, 2014, the Company concluded 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 $ 0.76 per share to VDL and will pay a 5% royalty on the net sales of production.

On August 11, 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 2, 2014, the Company concluded an agreement with Dr. Bruce Bedrick. Dr. Bedrick served as the Chief Executive Officer of MedBox, inc. He is a highly accomplished, versatile and respected Chiropractic Physician and business owner with over 20 years of diverse and innovative experience. In the context of Dr. Bedrick's consultancy for the Company, he will be helping to improve the footprint of Affinor's business. Dr. Bedrick's primary focus will be to apply his business skillset and advise on the expansion of the licensing of the Vertical Design patented technology for the cultivation of produce in the US and Mexico. 600,000 options were issued to Mr. Bedrick for his services.

On September 8, 2014, the Company signed an agreement with Herbal Analytics, a Washington State testing laboratory, to provide quality control for botanical identify and quality testing, botanical drug dietary supplement research and recreational and medical cannabis testing. Herbal Analytics has the staff, instrumentation, and procedures necessary to comply with the scope of tests that Washington State requires for S1502 quality control of Cannabis and associated derivatives.

Under the terms, the agreement, the Company paid $150,000 US cash, $150,000 US in a repayable loan over a maximum of 4 years, on which only $80,000 US were paid, and issued 949,612 of Affinor common shares at $ 0.56 per share for 49% interest. The proceeds will be used to build the laboratory to meet the demand and handling the volume necessary of SI-502 and medical clients in Washington State, including, but not limited to, the equipment, employee salaries, marketing, sales and regular business needs. As at May 31, 2015, management established that there was objective evidence that the investment in Herbal and the loan might be impaired due to the financial situation of this entity. The Company recorded an impairment loss for the entire amount of the loan and of its investment in Herbal.

On September 24, 2014, the Company acquired a 49% interest in Good to Grow LLC, a medical Marijuana dispensary. Under the term of the agreement, the Company will invest $ 600,000 US to improve the existing facility. On December 1, 2014, the Company and the owner of Good to Grow mutually agreed to declare the acquisition agreement null and void without further obligation and recourse to either party. The Contract Termination Agreement has been signed on August 11, 2015 with an effective date on December 1, 2014.

On September 26, 2014, the Company retained the services of Sigorex Management GMBH (''Sigorex'') to provide investor relations services, subject to regulatory approval. In consideration for Sigorex's services, the Company has agreed to pay a fee of US $ 125,000 immediately and an additional US $ 50,000 in two equal payments, one after three months and one after six months. The Company has granted to three consultants a total of 300,000 incentive options stock options to purchase common shares. The options are exercisable on or before September 22, 2019 at an exercise price of $ 0.40 per option. The contract was cancelled on December 1, 2014.

On September 30, 2014 255,000 warrants were exercised for a cash consideration of $ 102,000. The fair value of $ 23,942 assigned to these warrants has been reclassified from warrants to share capital. Also 34,955 brokers warrants were exercised for a cash consideration of $ 13,982.

On October 9, 2014, the Company management decided to not pursue the rooftop acquision located at 523/535 Richards Street, in Vancouver BC previously announced on September 11, 2014. Affinor will save a substantial amount by completing it's own system compared to the $1.4 million cost of the rooftop acquisition.

On October 16, 2014 , the Company engaged Secure Strategy Group for financial and corporate advisory services. Under the terms of the agreement, Secure Strategy Group will receive a monthly cash advisory fee of US $ 8,000 and 1,000,000 warrants of the Company that are exercisable into 1,000,000 common shares of the Company at an exercise price of $ 0.32 per share on or before October 16, 2017.

On October 17, 2014, the Company engaged Bruce Bedrick for financial and corporate advisory services. Under the terms of the agreement, Bruce Bedrick will receive 1,000,000 warrants of the Company that are exercisable into 1,000,000 common shares of the Company at an exercise price of $ 0.32 per share on or before October 17, 2017. These warrants replace the 600,000 options that were previously issued to Mr. Bedrick on September 2, 2014. The Company did modification accounting which resulted in incremental compensation cost of $ 72,000.

On October 18, 2014, the Corporation and the shareholders of the acquired British Columbia private company (hereinafter "BC Ltd.") agreed to amend their original share purchase agreement. The Company gives back to the BC Ltd. shareholders all the issued and outstanding BC Ltd. shares purchased by the Corporation pursuant to the original share exchange agreement, in consideration for which the BC Ltd. shareholders give back to the Corporation 2,500,000 common shares owned by Nick Brusatore a related person. In addition, the BC Ltd. shareholders have granted to the Corporation an irrevocable option to purchase all the issued and outstanding BC Ltd. shares which option may be exercised no later than October 18, 2017, or upon receipt by BC Ltd. of its Medical Marijuana growers license from Health Canada. As at September 1, 2014, the fair value of the consideration paid for this option was $ 169,600 which corresponds to the fair value of the share of Affinor. The officers and directors of the Corporation have taken this decision because of their incapability to open a bank account with a chartered bank for BC Ltd. This has caused a direct impact on the risk management. BC Ltd's application to obtain a Medical Marijuana growers license is at the security clearance stage. Once the security check is completed, the application will proceed to the in-depth review verification to ensure compliance with good production practices, record keeping and security measures. As at May 31, 2015, management determinated that the fair value of this option was nil and recorded a charge of $ 169,600 in the statement of comprehensive loss

On October 21, 2014, the Company entered into an exclusive patent license agreement with Vertical Designs ltd. (''VDL''), a company under control of a director and an important shareholder of the Company Nick Brusatore, to become the commercial licensor of VDL patented food growing technology on a worldwide territory excluding only Ontario, Alberta and the Maritimes (the ''Territory''). Under the terms of the agreement, the Company will use VDL's technology to produce high quality non-GMO fruits and vegetables, royalty free to VDL. An initial entry fee is paid to VDL by the issuance an additional 722,222 common shares of the Company. Also under the agreement, the Company will be able to sublicense VDL's technology for fruits and vegetables to any other company of facility on the territory and receive a royalty on sub-licensed production. The Company will receive 50% of any fee or royalty paid to it by any sublicense of the VDL technology, the other portion being paid to VDL.

5.0 HIGHLIGHTS SUMMARY (continued)

On October 23, 2014, the Company sub-license it's patented, food growing technology licensed from Vertical Design Ltd. previously announced on October 22, 2014, to GeoNovus Minerals Corp. Under the Agreement, the Company is sublicensing a vertical growing technology to GeoNovus in exchange for six million (600,000) common shares of GeoNovus on signature of the Agreement, and another six million (600,000) common shares in six (6) months following the signature of the Agreement for all parties. On March 31, 2015, GeoNovus informed Affinor that they will not proceed with the payment of the second tranche of 600,000 common shares and that due to a fundamental change in their business they decided to terminate the agreement. The 600,000 common shares already paid to Affinor are nonrefundable and remain the property of Affinor..

On November 3, 2014, the Company announced that Georges Laraque will join the Company team for business development and to endorse their healthy products, including strawberries. Under the terms, M. Laraque will receive $ 3,000 per month and 200,000 stock options to purchase common shares. The options are exercisable on or before October 28, 2019 at an exercise price of $ 0.25 per share.

On November 5, 2014, the Company announced that it has received an exclusive 5 years purchase order from Mastronardi Produce, a leading North American greenhouse vegetable company for all strawberries grown by the Company at the facility in St-Chrysostome, Quebec.

On November 20, 2014, the Company announced that it has amended its acquisition agreement of BC previously announced on May 23, 2014 and on October 18, 2014.

On November 20, 2014, the Company announced that Jeff Sopatyk, has been appointed to the Company's board of directors. Under the terms, Mr. Sopatyk received 200,000 incentive stock options to purchase common shares. The options are exercisable on or before November 20, 2019, at an exercise price of 30 cents per share.

On December 1, 2014, the Company announced that it has cancelled the investor relations agreement with Sigorex Management GMBH entered into on September 26, 2014.

On December 1, 2014, the Company announced that it has engaged Secure Strategy Group for financial and corporate advisory services. Under the terms Secure Strategy Group received a monthly cash advisory fee of $ 8,000 US and 1,000,000 warrants of the Company that are exercisable into 1,000,000 common shares of the Company at an exercise price of $0.32 per share on or before October 16, 2017.

On December 2, 2014, the Company appointed Pierre C. Miron as VP Finance, CFO & Director. Under the terms, Mr. Miron received 300,000 incentive stock options to purchase common shares. The options are exercisable on or before December 1, 2017, at an exercise price of $ 0.22 per share.

On December 18, 2014, the Company closed the Definitive Agreement of the previously announced LOI on November 4, 2014 with North Country Natural Solutions LLC ('' North Country'') and Iroquois Consulting Group LLC (''Iroquois'') in New York State. It represents a $ 500,000 sublicensing agreement and 5% royalty on the net sales on the food production. Additionally North Country and Iroquois will offer consulting services to represent exclusively the Company with all the native Communities in the United States in the agriculture and cannabis sectors with the objective to become leader and a model in both industry. The discussions are still open with North Country and Iroquois even though the 6 months' timeline expired.

On December 19, 2014, the Company hired Hugh Bowman as Advisor. Under the terms of the agreement, M. Bowman received 300,000 incentive stock options to purchase common shares. The options are exercisable on or before December 18, 2017, at an exercise price of $ 0.25 per share.

On January 5, 2015, Herbal Analytics LLC signed a 2 year contract to be the cannabis laboratory for Green Color and Arches (GC&A), a producer of medical products. GC& A has agreed to engage Herbal Analytics to exclusively study their cannabis for compound research and drug discovery purposes. Within the terms of the Agreement, Herbal Analytics also will provide services. As of today no revenues were generated from this contract.

On January 13, 2015, the Company completed the acquisition and ownership, development and commercialization rights of the farming technology ''Method and Apparatus for Automated Horticulture and Agriculture'' Patent from VDL. Under the terms of the agreement, the Company becomes the patent holder and issued to VDL in consideration an additional 5,000,000 common shares at a price of $0.16 per share.

On January 27 2015, the Company signed a consulting services agreement with the consulting firm PRC Partners Ltd. Under the term PRC received one million five hundred thousand common shares of the Company and 500,000 stock options exercisable at $ 0.15 per shares on or before July 28, 2015.

On February 2, 2015, the Company issued 1,025,642 shares to Kodiak Capital Group in relation to an Equity Purchase Agreement and a Registration Rights Agreement. On February 26, 2015, the Company requested that the shares were cancelled since they did not proceed with the agreements. The share certificates have been received on August 4, 2015 and the shares were cancelled on September 1, 2015.

On February 11, 2015, the Company closed a non-broker private placement for gross proceds of $105,000. The securities issued are composed of 700,000 units. Each unit is comprised of one common share and one share purchase warrant of the Company. The common share purchase warrant has a term of three months and is exercisable at $ 0.30.

On February 19, 2015, the Company entered into a $ 30 million US equity line facility agreement with Dutchess Opportunity Fund II, a Delaware limited partnership. Access to this facility is contingent upon the Company meeting several conditions, which are not meet as of the date of the MD&A. The Company will not use the line of credit until the market situation improves significantly.

On March 18, 2015, the Company announced that is subsisiary Affinor Analytics signed an exclusive service agreement with MediGrow. Under the term MediGrow will pay $ 3,000 US per month for the first six months, $ 6,500 for the next 18 months. Extra charges include mainly 325 USD per hour for data consulting billed on separate invoice and also to be paid monthly. As of today no revenues were generated from this contract.

On March 26, 2015, the Company announced that Squamish Nation hereditary Chief Gilbert Jacop has joined Affinor's advisory board.

On April 10, 2015, the Company announced that they amicably resolve the Washington litigation to dismiss the case with prejudice with Abattis.

6.0 SELECTED ANNUAL INFORMATION

The Company's Consolidated Financial Statements for the years ended May 31, 2015, 2014 and 2013 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, 2015	**May 31, 2014**	**May 31, 2013**
Statements of Financial Position	**$**	**$**	**$**
Cash	2,662	1,944,644	26,237
Total assets	2,985,490	2,164,849	142,829
Total liabilities	875,255	249,850	289,122
Shareholder's equity	2,110,235	1,914,999	(146,293)
Statements of Net Loss and Comprehensive Loss			
Total revenue	285,714	-	-
Loss before investments, financing and income taxes	4,022,595	8,153,562	233,877
Loss on investments	314,303	-	-
Impairment of investment, option and loans	1,026,700	-	-
Net loss	(5,356,262)	(8,121,543)	(233,877)
Basic and diluted loss per common share	(0.08)	(0.22)	(0.02)

7.0 OPERATION RESULTS

For the year ended May 31, 2015, the Company recorded a net loss of $ 5,356,262 compared to $ 8,121,543 for the year ended May 31, 2014.

			For the year ended
	May 31, 2015	**May 31, 2014**	**Variation**
	$	**$**	**$**
Sales (a)	285,714	-	285,714
Professional and consulting fees (b)	1,906,856	823,287	1,083,569
Share-based payments (c)	1,467,270	910,462	556,808
Other operating expenses (d)	277,798	189,153	88,645
Loss on investments and impairments (e)	1,341,003	-	1,341,003

a) The Company sold a licence to Geonovus Minerals Corp, which was subsequently cancelled. The Company kept the 600,000 common shares.

b) Professional fees, legal fees and consulting fees increased by $ 1,083,569 due to an increase of business activities. The Company has agreed to pay consulting fees, payable in shares (1,903,555 common shares), to several consultants. This compensation resulted in an expense of $ 503,666.

c) Share-based payments increased by $ 556,808. The increase is due to the grant of 3,950,000 options and 2,700,000 warrants to consultants of the Company.

d) Other operating expenses increased by $ 88,645. The increase is due to an increase of business activities.

e) The Company wrote off its loans to and investments in BC, Affinor Growers LLC (Good to Grow) and Herbal Analytics LLC in their entirely in fiscal 2015 as the Company determined none of these investments were recoverable.

8.0 RESULTS OF THE FOURTH QUARTER

For the three-month period ended May 31, 2015, the Company recorded a net loss of $ 1,799,761 compared to $ 7,904,653 for the three-month period ended May 31, 2014.

	For the three-month period ended	
	May 31, 2015	**May 31, 2014**
	$	**$**
Professional fees and consulting fees (a)	536,500	784,033
Management fees (b)	75,000	5,912,490
Share-based payments (c)	60,153	894,099
Loss on investments and impairments (d)	1,048,255	-

a) Professional fees and consulting fees decreased by $ 247,533.

8.0 RESULTS OF THE FOURTH QUARTER (continued)

b) Management fees decreased by $ 5,837,490. The decrease 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 10,000,000 common shares, the Company recorded an expense of $ 3,800,000. Under the agreement M. Brusatore was entitled 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 decreased by $ 833,946. The decrease is due to the grant of 550,000 options to officers, directors and consultants of the Company (5,620,000 in 2014).

d) The Company wrote off its loans to and investments in BC and Herbal Analytics LLC in their entirely in fiscal 2015 as the Company determined none of these investments were recoverable.

9.0 QUATERLY REVIEW

Description	2015-05-31	2015-02-28	2014-11-30	2014-08-31
	$	$	$	$
Sales	-	190,262	48,689	46,763
Net loss	(1,799,761)	(809,711)	(1,354,848)	(1,391,942)
Loss per share diluted	(0.03)	(0.01)	(0.02)	(0.02)

Description	2014-05-31	2014-02-28	2013-11-30	2013-08-31
	$	$	$	$
Sales	-	-	-	-
Net loss	(7,904,653)	(120,771)	(62,055)	(20,507)
Loss per share diluted	(0.22)	(0.00)	(0.00)	(0.00)

10. 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, share options and warrants, 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, 2015 the Company had a negative working capital of $ 625,319 (positive working capital of $ 1,909,995 as at May 31, 2014) including cash of $ 2,662 ($ 1,944,644 as at May 31, 2014) and had an accumulated deficit of $ 19,928,752 ($ 14,572,490 at May 31, 2014) and had incurred a loss of $ 5,356,262 ($ 8,121,543 at May 31, 2014) for the year ended May 31, 2015. Refer to Section 3.0 for continuity of operations.

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 key management, as described below.

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:

	2015	2014
	$	$
Short-term key management benefits		
Social security cost (a)	12,501	807
Salaries and consulting fees (a)	146,984	40,415
Professional fees	-	51,000
Others	-	5,862
Total short-term management benefits	159,485	98,084
Management fees (b)	300,000	6,046,298
Consulting fees (c)	182,429	52,260
Share-based payments (d)	335,465	552,326
Total remuneration	931,614	6,748,968

a) The Company paid in salaries and benefits $ 54,127 ($ nil in 2014) to Tegan Adams former Chief Operating Officer, $ 88,560 ($ nil in 2014) to Jarrett Malnarich the current Chief Operating Office, $ 45,000($nil in 2014) to Pierre C. Mirion, the current Chief Financial Officer, $ 5,729 ($ nil in 2014) to Dr. Hyder Ali Khoja Chief Scientific officer and 7,694 in vacancy.

b) The Company paid $ 150,000 ($ nil in 2014) to Aboriginal Import Export Ltd. a Company controlled by Nick Brusatore director and chairman for consulting fees, $ 150,000 ($ 19,298 in 2014) to Sediamek a Company controlled by Sébastien Plouffe President and Chief Executive Officer.

c) The Company paid in consulting fees $ 86,664 ($ nil in 2014) to Integra construction a Company controlled by Greg Dennison, $ 50,000 ($ nil in 2013) to Fast Creative Inc. a Company controlled by Colin Wiebe marketing director.

The Company granted 1,450,000 stock purchase options (nil in 2014) to key management. The fair market value of these options is $ 335,465 ($ nil in 2014).

11.2 Transactions with shareholder

On June 23, 2014, Affinor acquired an exclusive license to grow market-ready strawberries using automated, software-driven, vertical farming technology from Vertical Designs Ltd. (VDL), a company controlled by the Chairman of the board of Affinor. This license was acquired for the use of the technology “Method and Apparatus for Automated Horticulture and Agriculture” on the territory of the province of Saskatchewan, Canada. Affinor paid an initial, up-front non-refundable entry fee by the issuance of 666,666 shares of Affinor at the date of the transaction valued at $ 506,666, being the market price of the shares issued at date of issuance. In addition, Affinor would have paid to VDL a royalty payment of 5% of the net sale of the licensed products. No royalties have been recorded for the year-ended May 31, 2015. This license remain in force for the unexpired term of the patent which was estimated to 18 years.

On October 21, 2014, Affinor and VDL agreed to terminate the license agreement concluded on June 23, 2014 and replaced it by a new license agreement. This new license agreement was acquired also to grow market-ready strawberries using automated, software-driven, vertical farming technology from VDL. The license was acquired for a worldwide use of the technology, other than the Canadian provinces of Alberta, Ontario, Newfoundland, Nova Scotia, New Brunswick and Prince Edward Island. Affinor paid an additional initial, up-front non-refundable entry fee by the issuance of 722,222 shares based on the weighted average price for the ten days immediately prior to the date of the transaction, over and above the 666,666 shares of Affinor issued on June 23, 2014. The additional consideration, valued at $ 187,777 was valued at the market price of the shares at the issuance date. In addition, Affinor would have paid to VDL the following royalties:

a) an amount equal to 50% of any licensing fee or royalty received by Affinor from the sublicense sold after January 1, 2017;

b) an amount equal to 50% of Affinor’s gross margin from the sale of licensed equipment or any equipment incorporating the licensed patent, in respect of licensed equipment sold after January 1, 2017; and

c) a royalty payment corresponding to 50% of any fees paid to Affinor by sublicenses, other than those specified in (a) and (b) above, received after January 1, 2017.

11.3 Transactions with shareholder

Refer to note 7 of the consolidated financial statements for business acquisition under common control transaction.

The Company paid $ 110,000 on behalf of the Chairman of the board during the year related to lawyers’ fees for his defence in the Abbatis case

12.0 OFF-BALANCE SHEET TRANSACTIONS

There are no off-balance sheet transactions.

13.0 CONTRACTUAL OBLIGATIONS AND COMMITMENTS

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, 2015, the balance of this commitment was $ 87,500.

In October 2014, the Company signed a contract for a consulting service for an amount of $ 110,452 US. On May 31, 2015, the balance of this commitment was $ 48,000 US.

14.0 OUTSTANDING SHARE INFORMATION

	As at September 30, 2015
	Number
Common shares	90,211,578
Warrants	25,282,636
Brokers warrant	215,465
Options	6,950,000
Total common shares fully diluted	122,659,679

15.0 EVENTS AFTER THE REPORTING PERIOD

On July 2, 2015, a legal mortgage of $48,519 was registered on the construction in progress in favor of 9170-3694 Québec Inc.

On August 18, 2015, the Company has appointed Gary Lloyd, a Canadian food business expert, as a member of Affinor's board of directors and the chairman of the strategic committee. Under the terms of the agreement, Mr. Lloyd will receive one million incentive stock options to purchase common shares at 10 cents per share and one million incentive stock options to purchase common shares at 20 cents per share. The options are exercisable on or before August 17, 2020.

On September 11, 2015 the Company closed a non-brokered private placement for gross proceeds of $ 755,000. The securities issued are composed of 15,100,000 units. Each unit is comprised of one common share and one share purchase warrant of the Company. The common share purchase warrant has a term of 12 month exercisable at $ 0.15. In connection with the financing, a finder's fee of $ 8,750 was paid to a third party as well as $10,500 to Haywood Securities Inc. The management and board of directors of Affinor participated for $ 215,000 in the financing.

On September 11, 2015, the Company has also agreed to settle a total of $126,785 of debt relating to Dr. Bruce Bedrick by issuing an aggregate of 2,535,700 common shares of Affinor at a deemed price of five cents per share. Dr. Bedrick's warrants are repriced at 10 cents each, with the same maturity date of Oct. 16, 2017.

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 17 of the consolidated financial statements. The main types of risks to which the Company is exposed are market risk, credit risk, currency risk and liquidity risk.

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

Market risk

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, such as foreign exchange rates and interest rates. The objectives of the Company are to ensure cash inflows in the short and medium term, while reducing exposure to capital markets. The Company is exposed to market risk from its investments available for sale. The Company does not trade in financial assets for speculative purposes.

16.0 FINANCIAL RISK MANAGEMENT (continued)

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 to determine the amounts required to fund its obligations. The Company also issued shares and share instruments as consideration for investments, compensation and services.

As at May 31, 2015, 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, 2015, the Company has negative working capital of $ 625,319. The ability of the Company to continue its activities relies upon the supports of its suppliers and obtaining additional financing. Refer to Section 3.0 for continuity of operations.

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 is held with a Canadian chartered bank which reduces the risks. The Company’s credit risk relates to cash balances and other receivables.

Foreign currency sensitivity

The Company is exposed to currency risk arising from exchange rate fluctuations against its reporting Canadian currency. Currency transaction risk is the impact of exchange rate fluctuations on the Company’s Income Statement, which is the effect of currency rates on expected future cash flows and investments. The principal foreign exchange transaction exposure comprises both the geographical location of our sales of licence in the USA and the sourcing of raw material, labour and overhead office being in Canadian dollar.

17.0 CRITICAL ACCOUTING ESTIMATES AND CHANGES IN ACCOUNTING POLICIES

Refer to note 4 and 6 of the Company’s financial statements.

18.0 OUTLOOK

During the year, the Company is planning to;

- Complete the construction of a Strawberry or other crops Facility on farmland acquired in Saint-Chrysostome, Quebec. The Company anticipates completing the construction in 2016 and beginning production in the fall of 2016.
- Continue negotiations to sell technology and equipment and developed partnership key Companies in the Food Industry.
- Complete financing to achieve the main projects.

19.0 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.

20.0 ADDITIONAL INFORMATION AND CONTINUOUS DISCLOSURE

This MDA was prepared as of September 30, 2015. 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 30, 2015

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

(signé) Pierre C. Miron
Pierre C. Miron
Chief Financial Officer