AFFINOR GROWERS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS
FOR THE THREE MONTHS ENDED AUGUST 31, 2016

OVERVIEW AND INTRODUCTORY COMMENT

Affinor Growers Inc. ("Affinor" or the "Company") is a diversified publicly traded company on the Canadian Securities Exchange under the symbol "AFI" and is also listed on the Frankfurt Stock Exchange under the symbol "1AF" as well as on the US OTCQB under the symbol "RSSFF". The Company is focusing on developing vertically integrated farming technology and growing problematic demand crops on mass produce, high quality, and product for local distribution. The team is currently working towards becoming a supplier of vertical farming technologies and proprietary processes for strawberries and other crops such as romaine lettuce and herbs in North America.

This MD&A is dated October 18, 2016 and discloses specified information up to that date. Unless otherwise noted, all currency amounts are expressed in Canadian dollars. The following information should be read in conjunction with the unaudited condensed consolidated interim financial statements and the related notes for the three months ended August 31, 2016 and the Company's audited consolidated financial statements for the year ended May 31, 2016 and the related notes thereto.

Additional information relevant to the Company and the Company's activities can be found on SEDAR www.sedar.com, and/or the Company's website at www.affinorgrowers.com.

MAJOR INTERIM PERIOD OPERATING MILESTONES

On June 27, 2016, the Company announced that it signed a non-exclusive licensing agreement with a private Alberta based company (the "Licensee"). The agreement allows the Licensee to purchase and install Affinor's growing towers in order to grow and produce strawberries and romaine lettuce at a single location in Alberta.

Affinor expects to receive payment for the towers during late fall. When the towers are installed and producing, under the agreement, Affinor will receive 10% of sales as a royalty up to $100,000 in royalty payments, and then a 3% of sales royalty thereafter.

On June 4, 2016, Nick Brusatore resigned from the board of directors and on June 6, 2016, Rick Easthom joined the board.

On October 14, 2016, the Company provided a corporate update including (a) the latest development in the beta prototype testing at the University of the Fraser Valley in Surrey BC; (b) the LED lighting testing with a new technologically advanced LED Lighting company in Monroe, Washington USA; (c) the progress at the THC BioMed prototype and cannabis cultivation project; (d) the timelines with various license agreements; (e) the commercial trial and development at the Michigan commercial strawberry greenhouse farm; and (f) the plan for the Company's St-Chrysostome greenhouse facility in Quebec.

AFFINOR GROWERS

INTERIM PERIOD FINANCIAL CONDITION

Capital Resources

On June 8, 2016, the Company granted 200,000 options at the price of $0.10 for a period of 3 years to Rick Easthom.

On June 15, 2016, the Company issued 10 million common shares at an agreed upon value of $0.10 per share to Vertical Designs Ltd. upon the completion of the transfer of the Patents to Affinor. The shares have a four month hold period.

On August 17, 2016, the Company completed a non-brokered private placement by issuing 2,000,000 units ("Unit") at a price of $0.05 per Unit for gross proceeds of $100,000. 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 4 years exercisable at $0.10 per share purchase warrant. All securities have a 4-month hold period expiring on December 17, 2016.

On August 30, 2016, the Company settled a total of $137,910 debt with its consultants by issuing an aggregate of 2,758,200 common shares of the Company at a deemed price of $0.05 per share.

On September 7, 2016, 15,100,000 warrants granted on September 11, 2015 with original expiry date of September 11, 2016 were extended to expire on September 11, 2018.

In October 2016, a total of 2,200,000 options with an exercise price of $0.10 expiring between September 30, 2017 and November 16, 2018 were exercised.

On October 5, 2016, the Company granted 1 million options at the price of $0.11 for a period of 3 years to its consultants.

On October 13, 2016, the Company granted 1,200,000 options at the price of $0.11 for a period of 3 years to its officers and a consultant.

The Company's business plan is dependent on raising additional funds to finance its commercial trial and development and its pilot plant and commercialization 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 its development 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.

Liquidity

On August 31, 2016, the Company had a negative working capital of $235,775 (negative working capital of $303,120 as at May 31, 2016) including cash of $28,131 ($3,206 as at May 31, 2016) and had an accumulated deficit of $22,820,361 ($22,447,462 as at May 31, 2016) and had incurred a loss of $272,899 for the three months ended August 31, 2016 ($458,874 for the three months ended August 31, 2015).

Operations

For three months ended August 31, 2016 and three months ended August 31, 2015

During the three months ended August 31, 2016, the Company reported a loss of $272,899 ($0.00 loss per share) (2015 – $458,874 ($0.01 loss per share)).

Excluding the non-cash amortization of $33,034 (2015 – $23,015), and share-based payment of $8,800 (2015 - $164,974), the Company's general and administrative expenses amounted to $195,641 during the three months ended August 31, 2016 (2015 – $260,796), a decrease of $65,155. The reason for the change was a result of conserving cash by decreasing employee benefit expenses (2016 - $21,380; 2015 - $77,601), and other operating expenses (2016 - $4,123; 2015 - $32,205). The professional fees and consulting fees increased to $161,365 (2015 - $68,567) as a result of the fees paid to a former director being classified as professional fees and consulting fees from management fees,

SIGNIFICANT RELATED PARTY TRANSACTIONS

During the quarter, there was no significant transaction between related parties.

COMMITMENTS, EXPECTED OR UNEXPECTED, OR UNCERTAINTIES

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

Other than disclosed in this MD&A – Quarterly Highlights, the Company does not have any commitments, expected or unexpected, or uncertainties.

RISK FACTORS

In our MD&A filed on SEDAR September 23, 2016 in connection with our annual financial statements (the "Annual MD&A"), we have set out our discussion of the risk factors *Exploration risks, Market risks* and *Financing risk* which we believe are the most significant risks faced by Affinor. An adverse development in any one risk factor or any combination of risk factors could result in material adverse outcomes to the Company's undertakings and to the interests of stakeholders in the Company including its investors. Readers are cautioned to take into account the risk factors to which the Company and its operations are exposed. To the date of this document, there have been no significant changes to the risk factors set out in our Annual MD&A.

DISCLOSURE OF OUTSTANDING SHARE DATA

The authorized share capital of the Company consists of an unlimited number of common shares without par value. The following is a summary of the Company's outstanding share data as at August 31, 2016 and MD&A date:

	Issued and Outstanding	
	August-31-16	October-18-16
Common shares outstanding	114,606,561	116,806,561
Stock options	7,250,000	7,250,000
Warrants	35,615,969	35,615,969
Broker's warrants	833,333	833,333
Fully diluted common shares outstanding	158,305,863	160,505,863

Cautionary Statements

This document contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration results and plans, and our other future plans and objectives, are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, without limitation, our estimates of exploration investment, the scope of our exploration programs, and our expectations of ongoing administrative costs. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change, except as required by law. Forward-looking statements are subject to risks, uncertainties and other factors, including risks associated with mineral exploration, price volatility in the mineral commodities we seek, and operational and political risks. Readers are cautioned not to place undue reliance on forward-looking statements.