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AFFINOR GROWERS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MAY 31, 2017

INTRODUCTION

This is Management's Discussion and Analysis ("MD&A") for Affinor Growers Inc. ("Affinor" or the "Company") and has been prepared based on information known to management as of September 26, 2017. This MD&A is intended to help the reader understand the consolidated financial statements of Affinor.

The following information should be read in conjunction with the audited consolidated financial statements as at May 31, 2017 and 2016 and the related notes thereto, prepared in accordance with International Financial Reporting Standards ("IFRS"). The MD&A provides a review of the performance of the Company for the year ended May 31, 2017. Additional information relating to the Company can be found on SEDAR www.sedar.com.

Management is responsible for the preparation and integrity of the consolidated financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management also ensures that information used internally or disclosed externally, including the consolidated financial statements and MD&A, is complete and reliable.

The Company's board of directors follows recommended corporate-governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee meets with management regularly to review the consolidated financial statements, including the MD&A, and to discuss other financial, operating and internal-control matters.

All currency amounts are expressed in Canadian dollars unless otherwise noted.

FORWARD LOOKING STATEMENTS

Certain sections of this MD&A provide, or may appear to provide, a forward-looking orientation with respect to the Company's activities and its future financial results. Consequently, certain statements contained in this MD&A constitute express or implied forward-looking statements. Terms including, but not limited to, "anticipate", "estimate", "believe" and "expect" may identify forward-looking statements. Forward-looking statements, while they are based on the current knowledge and assumptions of the Company's management, are subject to risks and uncertainties that could cause or contribute to the actual results being materially different than those expressed or implied. Readers are cautioned not to place undue reliance on any forward-looking statement that may be in this MD&A.

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The following forward looking statements have been made in this MD&A:

- Impairment of intangible assets;
- The potential and uncertainties of the Company's sales; and
- Expectations regarding the ability to raise capital and to continue its development of the vertical farming technology.

ADDITIONAL INFORMATION

Financial statements, MD&A's and additional information relevant to the Company and the Company's activities can be found on SEDAR at www.sedar.com, and/or on the Company's website at www.affinorgrowers.com.

SUMMARY AND OUTLOOK

It is the mission of Affinor to be the world-wide technology and market leader in acquiring and commercializing innovative vertical farming technologies that use the least possible resources (eg. land, water, and energy resources) to produce high quality, sustainable products.

Affinor's patented technologies position the Company well in the vertical farming industry. It is one of the only vertically integrated growing system that can offer automated mechanical pollination for fruiting crops and true vertical solutions for the vertical farming industry. Affinor's proprietary crop models for in demand crops such as strawberries, romaine lettuce and kale can offer full turn-key growing solutions to our customers. Revenue models for the Company include license fees, royalties on production, margin on equipment sales and owning or partnering with strategic production facilities.

Our plan for 2017 and 2018 is to continue to focus on becoming the leading technology developer and distributor of vertical farming equipment in order to help solve food security problems by using our proprietary growing and cultivation systems. With the help of our strategic partners and our technical team, Affinor's immediate plans include continuing the development and commercialization of the patented technology, validation through third party partners, crop diversification, international and local sales of license agreements, and commission our first commercial vertical farm with a partnered license holder to prove commercialization and revenue models.

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AFFINOR GROWERS

1. Background

The Company was incorporated under the Canadian Business Corporations Act on August 27, 1996. 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 began as Affinor Resources Inc., a company with mining projects in Québec, Canada. The Company recognized a great opportunity when it discovered a team that was developing a system and technology to help solve problematic crops sustainably.

2. Overview

The Company is focusing on developing vertically integrated farming technology to grow problematic in-demand crops 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 kale in North America.

The Company plans to offer solutions for fresh all natural food grown in environments without pesticides or chemicals. The Company plans to be an industry leader growing water-fed, nutrient rich strawberries, free of sprayed chemicals, food dyes, mold, field rot and chemicals.

The high demand for strawberries, lettuce, and other crops is due to a lack of domestic consistent 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 in a reliable efficient manner. The fresh food organic produce market is estimated at $34 Billion and expected to double by 2025. Fresh market strawberries account for 81% of the total strawberry production, valued at $2.6 Billion annually in North America. However, agriculture land shrunk 3% annually in the last 10 years, there is a heavy reliance on chemicals and pesticides, natural pollination from insects are under stress and labour conditions are applying unsustainable pressures to the farming industry.

Affinor's agriculture technologies is estimated to increase crop yields per square foot by 3 to 5 times and can supply product year round using land otherwise not suitable for food production. The system will use ten times less water than land farming with minimal or no use of chemicals or pesticides.

3. Highlights Summary

The following is a brief description of the activities incurred by the Company during this current fiscal period and to date. Additional information can be obtained from the Company's website (www.affinorgrowers.com).

The Company completed one private placement raising $100,000, settled $137,910 in debt by issuing shares, and completed the transfer of the Patents to the Company by issuing shares (see section 6(d) "Liquidity and Capital Resources" section). The Company also issued common shares pursuant to the exercise of 5,900,000 stock options for cash proceeds of $605,000, the exercise of 1,000,000 warrants for cash proceeds of $150,000 and the exercise of 100,000 broker's warrants for cash proceeds of $15,000.

License Holders

British Columbia:

On October 31, 2016, the Company updated that the private non-exclusive license holder, Vertical Designs Ltd., as announced April 27 2016, received a permit to build a vertical farm from the City of Abbotsford. This license agreement was amended so that Affinor gets 10% ownership of the licensee company for the $100,000 license fee (not yet received). This allows the partner to move ahead with construction faster and gives Affinor a share of the profits from this farm that is close to Affinor's Vancouver base.

On December 20, 2016, the Company further updated that Vertical Designs Ltd. purchased 10 acres of agriculture land, received permits to build from the city, broke ground in December 2016 and recently signed an agreement with Discovery Organics to purchase and distribute all strawberries produced by the facility. Vertical Designs Ltd. is planning to increase the total amount of towers to 36 in the initial build out, increasing Affinor's revenue on equipment sales and royalties. An additional 60,000 square feet of greenhouse over several phases is also being planned to ramp up production when needed to meet local demand roughly, adding another 200 towers when complete. Affinor will benefit from profits, equipment sales, royalties and have a showcase facility available to sell additional license agreements.

On March 28, 2017, the Company announced the signing of a research and development Test Agreement with a large strawberry production company headquartered in California, USA. The Test Agreement is a collaboration of Affinor's vertical farming tower technology, proprietary strawberry seedlings from California, and the new greenhouse facility in Abbotsford, B.C. currently under construction by Vertical Designs Ltd. Under the terms of the agreement, specific strains of strawberry seedlings will be supplied for testing to optimize production within the unique environment created by Affinor's greenhouse tower technology. In return, Affinor will share the testing and production results, and collect a portion of revenue from berry sales to the local market.

Strawberries will be produced within a technically advanced light-diffused polycarbonate greenhouse. Vertical Designs Ltd. will operate the facility to grow and test the various strawberry strains in partnership with Affinor. It is anticipated the facility will be operational and planting will begin in late 2017. Affinor is working directly with the Californian strawberry producer over the next several months sharing information and collaborating on growing protocols to ensure the best varieties for vertical applications are identified.

On May 22, 2017, the Company announced the signing of a research and development On-Site License Agreement with a BC company to use Affinor's vertical growing equipment to mass produce high quality coniferous seedlings.

The test agreement is a collaboration of Affinor’s vertical farming tower technology, proprietary owned BC registered Tree Seeds by D.K Helicropper Ltd. and Vertical Designs BC Ltd. Under the terms of the agreement, specific coniferous seeds potentially more resistant to the Pine Beetle (MPB), will be propagated and mass produced with Affinor's growing technology on the Vertical Designs BC Ltd. farm located in Abbotsford BC. In the agreement, Vertical Designs BC Ltd. will be able to purchase four 10 level towers with no license fee or royalty. In return, Vertical Designs BC Ltd. will share the testing and production results with Affinor.

Tennessee:
On October 31, 2016, the Company updated that the holder of the non-exclusive license issued in Tennessee, as announced May 25, 2016, received a letter from the City of Portland's Mayor supporting a new facility with Affinor Growers vertical farming technology. They planned to start construction in early 2017.

On December 20, 2016, the Company further updated that the license holder closed on a property to build a greenhouse vertical farming facility. Affinor is working closely with them on planning, design and concepts to help with the next stage of permitting.

Alberta:
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.

Beta Prototype Testing

On November 23, 2016, the Company announced that the small, 4 level, 8 arm prototype at the University of the Fraser Valley in Surrey BC, produced over 130 pounds of strawberries over three and half months in an area of only 100 square feet. This production of strawberries met Affinor’s initial objectives and Affinor plans to double production again, in the same footprint area, by installing a second tower with 4 levels, but increasing to 16 arms.

Affinor also sent a sample of strawberries to an independent accredited laboratory for pesticide and heavy metal analysis. For comparative purposes, a second sample from a popular strawberry name brand was purchased from a local retail grocery store for benchmark analysis. The strawberries were screened for over 300 pesticides and 4 heavy metals. Affinor's sample tested negative for all pesticides with no trace amounts of heavy metals. The strawberries purchased from the local grocery store tested positive for 4 pesticides and contained trace levels of one heavy metal.

On December 5, 2016, the Company announced that it had installed the second vertical growing tower with the University of the Fraser Valley in Surrey BC. This second "high density tower" has planted four different strains of strawberries and holds 265 plants in a little over 100 square feet. The new equipment doubles the production of the first tower installed last April 2016 and more than triples the production per square meter when compared to the traditional soil beds within the same greenhouse. The nature of the install is to continue to grow and confirm yields and viability of the technology with commercial plant density conditions. Affinor expects results from the growth trials later in fall 2017. Traditionally, winter strawberry production can result in low yields. Affinor's goal is to increase production significantly year round with the correct formula of growing technology, lighting and crop models currently being developed throughout 2017 and 2018.

Medical Cannabis Testing

Kelowna, British Columbia

On December 20, 2016, the Company announced the equipment to grow and trial cannabis with THC BioMed located in Kelowna BC had been fabricated, finished and ready to be shipped. THC BioMed has requested to delay the shipment in order to complete some internal renovations and expansion projects. The agreement between the companies, as outlined in Affinor's news release dated April 4, 2016, is in good standing, however no ship date has been confirmed.

Mission, British Columbia

On February 27, 2017, the Company signed an On-Site Testing License Agreement to a local grower in Mission BC and shipped and installed a vertical growing system. The tower held 256 plants in a little over 100 square feet. The main objectives of the trial was to determine if cannabis plants could grow effectively on the vertical equipment, naturally in soil without the use of synthetic fertilizers or pesticide, as well as, develop specific growing protocol for quick maturing high density plants for multiple harvests per year. As a technology seller of vertical growing systems, the installation and growth trial allows Affinor to expand into a different plant sector and demonstrate the diversity of the equipment. The modular stainless system is ideal for highly controlled pharmaceutical growing standards as set up by Health Canada to produce medical cannabis. The growing technology was delivered and installed and growth trials had started in the week of March 13, 2017. As cannabis becomes more established in North America, cost effective commercial production will be needed as the market stabilizes and competitive advantage is achieved via efficiencies. Affinor sees this as an opportunity to diversity our technology into other markets with high value crops and be the first vertical system actively growing medical cannabis in Canada.

On May 29, 2017, the Company announced the cannabis trial and on-site test to grow medical marijuana in Mission BC was completed. The initial objectives were met with the single 4 level, 16 arm, vertical tower growing 256 cannabis plants in a little over 100 square feet from clone to harvest in seven weeks, under the license holder's growing license. The vertical growing tower was divided into different zones allowing several concurrent tests to identify ideal growing conditions and methods. A proprietary sequence of lighting, pruning techniques, nutritional formula coupled with a blended vegetative / flowering cycle resulted in optimal plant size and canopy density for the vertical growing equipment. Under these growing conditions, the newly developed crop model can produce up to 5 crops per year, as well as minimize the movement of the plants. Every plant was grown 100% organically with no synthetic fertilizers or pesticides.

Due to the various trials being conducted, final yields varied through the tower. However, one zone produced a reliable 15 to 20 grams per plant under a specific pruning, lighting and nutrient methods. Plans are already in motion to duplicate this protocol and build upon the developed crop model. As well, new LED lighting will be tested in parallel, creating the highest production intensity per square foot with low operating cost. Once achieved, Affinor's larger 10 level, 16 arm, tower capable of holding 640 plants in a little over 100 square feet, will be able to increase productivity over 200% when compared to 100 square feet of traditional indoor cannabis growing, for approximately half the utilities cost.

Others, British Columbia:
On April 20, 2017, the Company announced that it had sold a vertical farming system for growing medical cannabis in British Columbia. Affinor has signed a non-exclusive license and purchase agreement with a private third party to buy an automated vertical growing tower specifically for medical cannabis.

The four level tower will allow the purchaser to grow medical cannabis on behalf of a patient through a recently applied medical license. Under the agreement, Affinor will continue to receive growing information and replication data from the tower’s growing results. The tower will also be used to further develop and test the technology with different cannabis strains and LED lighting which will demonstrate new capabilities for low cost, high quality production of personal medical cannabis.

As a seller of agriculture growing systems, this is a starting point to introduce Affinor’s technology in the cannabis market and further prove it is a viable technology for growing cost effective medical cannabis. Affinor is one of a few companies now actively testing and selling cannabis vertical growing systems through its licensees.

St-Chrysostome Greenhouse Facility Quebec

On December 20, 2016, the Company announced that it had sold the St-Chrysostome greenhouse facility in Quebec. Proceeds were used to help further the Company development and general administration.

4. Risks and Uncertainties

The Company is subject to a number of risks and uncertainty associated with the successful development of its vertical growing technology to help grow 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 technology crop feasibility studies, energy saving strategies and crop modeling. Commercialization of its products and technology is dependent on obtaining adequate financing to complete its commercialization plans.

The Company's success depends on a number of factors, many of which are beyond its control. The primary risk factors affecting the Company include inherent risks in the agricultural industry, produce price fluctuations and currencies.

Inherent risks within the agricultural industry

The commercial viability of an agricultural facility depends on many factors, not all of which are within the control of management. Some of the factors that will affect the financial viability of a given produce include global demand and global supply. Other factors such as government subsidies, regulation and taxes could also have an impact on the economic viability of an agricultural facility.

There is no assurance at this time that the Company's agricultural facility or development will be economically viable.

Prices for produce

Produce prices are subject to price fluctuations and have a direct impact on the commercial viability of the Company's vertical growing technology. Price volatility results from a variety of factors, including global consumption and demand, international economic and political trends, fluctuations in the US dollar and other currencies, interest rates, and inflation. The Company has not hedged any of its potential future sales.

Foreign currency risks

The Company uses the Canadian dollar as its measurement and reporting currency, and therefore fluctuations in exchange rates between the Canadian dollar and other currencies may affect the results of operations and financial position of the Company. The Company does not currently have any foreign currency or commercial risk hedges in place.

The Company raises the majority of its equity financings in Canadian dollars while some of its operations are conducted in US dollars. Fluctuations in the exchange rates between the Canadian dollar and US dollar may impact the Company's financial condition.

5. Impairment of Intangible Assets

The Company completed an impairment analysis as at May 31, 2017 and concluded that no impairment charge was required because:

- the patents have 17 years of life remaining;
- there have been no significant changes in the legal factors or climate that affects the lives of the patents;
- the Company's continued development of its vertical farming technology using the patents; and
- the potential sales or joint researches that the Company has had thus far.

AFFINOR GROWERS

6. Material Financial and Operations Information

6(a) Selected Annual Financial Information

Selected Annual Information

	Year Ended May 31, 2017	**Year Ended May 31, 2016**	**Year Ended May 31, 2015**
Total revenues	$ -	$ 83,431	$ 285,714
Loss before investments, financing and income taxes	(1,917,140)	(1,530,141)	(4,022,595)
Loss on investments	(31,551)	(95,675)	(314,303)
Impairment of property, plant and equipment, investment, option and loans	-	(1,032,179)	(1,026,700)
Loss for the year	(1,717,118)	(2,618,710)	(5,356,262)
Loss per share	(0.01)	(0.03)	(0.08)
Total assets	2,776,894	1,692,570	2,985,490
Total long-term financial liabilities	-	-	-
Cash dividends declared – per share	N/A	N/A	N/A

6(b) Summary of Quarterly Results

The following is a summary of the Company's financial results for the last eight quarters:

	Three months ended			
	May 31, 2017	February 28, 2017	November 30, 2016	August 31, 2016
Total revenues	$ -	$ -	$ -	$ -
Net loss	$ (255,362)	$ (9,672)	$ (1,179,185)	$ (272,899)
Loss per share	$ -	$ -	$ (0.01)	$ -

	Three months ended			
	May 31, 2016	February 29, 2016	November 30, 2015	August 31, 2015
Total revenues	$ 35,079	$ 22,830	$ 25,000	$ 522
Net loss	$ (1,394,807)	$ (175,187)	$ (589,869)	$ (458,847)
Loss per share	$ (0.01)	$ -	$ (0.01)	$ (0.01)

6(c) Review of Operations and Financial Results

<u>For three months ended May 31, 2017 and three months ended May 31, 2016</u>

During the three months ended May 31, 2017, the Company reported a loss of $255,362 ($0.00 loss per share) (2016 – $1,394,807 ($0.01 loss per share)).

During the three months ended May 31, 2017, the Company reported revenue of $Nil (2016 - $35,079) and production and development costs of $67,095 (2016 - $31,805).

Excluding the non-cash amortization of $444 (2016 – $2,404) and share-based payment of $51,900 (2016 - $143,714), the Company's general and administrative expenses amounted to $137,571 during the three months ended May 31, 2017 (2016 – $136,740), an increase of $831.

The other major items for the three months ended May 31, 2017, compared with May 31, 2016 were:

- Impairment of property, plant and equipment of $Nil (2016 - $1,025,973);
- Loss on disposal of available for sale investments of $Nil (2016 – $91,175);and
- Gain on settlement of debt of $Nil (2016 - $44,800).

<u>For year ended May 31, 2017 and year ended May 31, 2016</u>

During the year ended May 31, 2017, the Company reported a loss of $1,717,118 ($0.01 loss per share) (2016 – $2,618,710 ($0.03 loss per share)).

During the year ended May 31, 2017, the Company reported revenue of $Nil (2016 - $83,431) and production and development costs of $249,688 (2016 - $139,958).

Excluding the non-cash amortization of $2,296 (2016 – $9,605) and share-based payment of $1,076,795 (2016 - $457,830), the Company's general and administrative expenses amounted to $588,361 during the year ended May 31, 2017 (2016 – $1,006,179), a decrease of $417,818. The reason for the change was a result of conserving cash by decreasing the professional fees and consulting fees (2017 - $406,724; 2016 - $498,604), employee benefit expenses (2017 - $111,638; 2016 - $187,270), and management fees (2017 - $Nil; 2016 - $181,244).

The other major items for the year ended May 31, 2017, compared with May 31, 2016 were:

- Impairment of property, plant and equipment of $Nil (2016 - $1,025,973);
- Loss on disposal of available for sale investments of $31,551 (2016 – $95,675);
- Write-off of accounts payable of $201,884 (2016 - $Nil); and
- Gain on settlement of debt of $Nil (2016 - $44,800).

6(d) Liquidity and Capital Resources

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 June 15, 2016, the Company completed the second and final intellectual property acquisition agreement with Vertical Designs Ltd. ("VDL") to acquire both the remaining patents regarding the proprietary vertical farming systems, and the license agreements with certain partners covering various provinces of Canada. Under the terms of the technology acquisition agreement, the Company issued 10 million common shares at a price of $0.10 per share to VDL.

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. 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 four 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.

During the year ended May 31, 2017, the Company issued common shares pursuant to the exercise of 5,900,000 stock options for cash proceeds of $605,000, the exercise of 1,000,000 warrants for cash proceeds of $150,000 and the exercise of 100,000 broker's warrants for cash proceeds of $15,000.

During the year ended May 31, 2017, the Company issued a total of 8,300,000 options to its directors, officers and consultants at prices ranging from $0.10 to $0.17 for a period of one year to three years, expiring from February 23, 2018 to November 22, 2019.

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.

On May 31, 2017, the Company had working capital of $513,014 (negative working capital of $303,120 as at May 31, 2016) including cash of $521,618 ($3,206 as at May 31, 2016) and had an accumulated deficit of $24,265,680 ($22,547,462 as at May 31, 2016) and had incurred a loss of $1,718,218 for the year ended May 31, 2017 (2016 - $2,618,710).

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

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.

6(e) Disclosure of Outstanding Share Data

The authorized share capital of the Company consists of an unlimited number of common shares without par value. As at May 31, 2017, the Company's share capital was $20,211,332 (May 31, 2016 - $17,773,789) representing 121,606,561 common shares (May 31, 2016 – 99,848,361 common shares).

Stock option transactions and the number of stock options are summarized as follows:

Expiry date	Exercise price	May 31, 2016	Granted	Exercised	Expired/ cancelled	May 31, 2017
September 15, 2017	$ 0.10	100,000	-	(100,000)	-	-
September 30, 2017	$ 0.10	1,300,000	-	(1,000,000)	-	300,000
December 16, 2017	$ 0.25	100,000	-	-	-	100,000
February 23, 2018	$ 0.11	-	50,000	-	-	50,000
May 10, 2018	$ 0.15	200,000	-	-	-	200,000
September 14, 2018	$ 0.10	800,000	-	(800,000)	-	-
November 16, 2018	$ 0.10	2,300,000	-	(1,600,000)	-	700,000
January 24, 2019	$ 0.10	-	500,000	(500,000)	-	-
February 23, 2019	$ 0.10	200,000	-	-	-	200,000
March 14, 2019	$ 0.11	-	600,000	-	-	600,000
April 23, 2019	$ 0.33	200,000	-	-	-	200,000
April 24, 2019	$ 0.33	100,000	-	-	-	100,000
May 9, 2019	$ 0.49	250,000	-	-	-	250,000
May 27, 2019	$ 0.49	100,000	-	-	-	100,000
May 30, 2019	$ 0.80	100,000	-	-	-	100,000
June 2, 2019	$ 0.85	100,000	-	-	-	100,000
June 5, 2019	$ 1.03	100,000	-	-	-	100,000
June 8, 2019	$ 0.10	-	200,000	-	-	200,000
June 27, 2019	$ 0.67	200,000	-	-	-	200,000
August 11, 2019	$ 0.47	300,000	-	-	-	300,000
October 5, 2019	$ 0.11	-	1,000,000	(1,000,000)	-	-
October 13, 2019	$ 0.11	-	1,200,000	(500,000)	-	700,000
October 18, 2019	$ 0.165	-	1,900,000	-	-	1,900,000
October 25, 2019	$ 0.17	-	700,000	-	-	700,000
October 28, 2019	$ 0.25	200,000	-	-	-	200,000
November 3, 2019	$ 0.135	-	100,000	-	-	100,000
November 17, 2019	$ 0.16	-	500,000	-	-	500,000
November 22, 2019	$ 0.15	-	1,550,000	-	-	1,550,000
October 1, 2020	$ 0.10	400,000	-	(400,000)	-	-
Options outstanding		7,050,000	8,300,000	(5,900,000)	-	9,450,000
Options exercisable		7,050,000	8,300,000	(5,900,000)	-	9,450,000
Weighted average exercise price		$0.20	$0.14	$0.10	$Nil	$0.21

The continuity of warrants for the year ended May 31, 2017 is as follows:

Expiry date	Exercise price	May 31, 2016	Issued	Exercised	Expired	May 31, 2017
February 12, 2017	$0.30	700,000	-	-	(700,000.00)	-
October 16, 2017	$0.10	1,000,000	-	-	-	1,000,000
October 16, 2017	$0.32	1,000,000	-	-	-	1,000,000
October 30, 2017	$0.15	8,333,333	-	(500,000)	-	7,833,333
April 4, 2018	$0.40	635,000	-	-	-	635,000
April 7, 2018	$0.40	3,045,636	-	-	-	3,045,636
April 11, 2018	$0.40	1,080,000	-	-	-	1,080,000
April 14, 2018	$0.40	564,000	-	-	-	564,000
April 16, 2018	$0.40	178,000	-	-	-	178,000
April 22, 2018	$0.40	360,000	-	-	-	360,000
April 23, 2018	$0.40	1,620,000	-	-	-	1,620,000
September 11, 2018	$0.15	15,100,000	-	(500,000)	-	14,600,000
August 17, 2020	$0.10	-	2,000,000	-	-	2,000,000
Outstanding		33,615,969	2,000,000	(1,000,000)	(700,000.00)	33,915,969
Weighted average exercise price		$0.21	$0.10	$0.15	$0.30	$0.21

The continuity of broker's warrants for the year ended May 31, 2017 is as follows:

Expiry date	Exercise price	May 31, 2016	Issued	Exercised	Expired	May 31, 2017
October 30, 2017	$0.15	833,333	-	(100,000)	-	733,333
Outstanding		833,333	-	(100,000)	-	733,333
Weighted average exercise price		$0.15	$Nil	$0.15	$Nil	$0.15

If the remaining options, warrants, finder's options, including the warrants associated with the finder's options, were exercised, the Company's available cash would increase by $9,053,554.

As of the date of this MD&A, there were 121,606,561 common shares issued and outstanding and 165,705,863 common shares outstanding on a diluted basis.

6(f) Off-Balance Sheet Arrangements

None.

6(g) Transactions with Related Parties

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 directors, key management and companies controlled by directors and key management, as described below:

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

For the year ended May 31, 2017

	Short-term employee benefits	Social security cost	Other long-term benefits	Termination benefits	Share-based payments	Total
Jarrett Malnarick Chief Executive Officer (a)	$ 112,000	$ 4,428	$ Nil	$ Nil	$ 82,330	$ 198,758
Mark T. Brown Chief Financial Officer (b)	$ Nil	$ Nil	$ Nil	$ Nil	$ 49,960	$ 49,960

For the year ended May 31, 2016

	Short-term employee benefits	Social security cost	Other long-term benefits	Termination benefits	Share-based payments	Total
Jarrett Malnarick Chief Operating Officer (a)	$ 102,000	$ 3,776	$ Nil	$ Nil	$ 38,440	$ 144,216
Mark T. Brown Chief Financial Officer (b)	$ Nil	$ Nil	$ Nil	$ Nil	$ 15,970	$ 15,970
Hyder Ali Khoja Former Chief Scientific Officer	$ 33,333	$ 2,470	$ Nil	$ Nil	$ Nil	$ 35,803
Pierre Miron Former Chief Financial Officer (c)	$ 27,931	$ 2,761	$ Nil	$ 15,000	$ Nil	$ 45,692

Related party liabilities

		Years ended		Balance due	
	Services	May 31, 2017	May 31, 2016	As at May 31, 2017	As at May 31, 2016
Amounts due to:					
Jarrett Malnarick Chief Executive Officer (a)	Salaries and share-based payment	$ 198,758	$ 144,216	$ -	$ -
Mark T. Brown Chief Financial Officer (b)	Share-based payment	$ 49,960	$ 15,970	$ -	$ -
Hyder Ali Khoja Former Chief Scientific Officer	Salaries	$ -	$ 35,803	$ -	$ -
Pierre Miron Former Chief Financial Officer (c)	Salaries and share-based payment	$ -	$ 45,692	$ -	$ -
Pacific Opportunity Capital Ltd. (b)	Management and accounting services	$ 97,500	$ 64,000	$ -	$ 7,875
Aboriginal Import Export (d)	Management fees	$ -	$ 90,000	$ -	$ 8,400
SEDIAMEK Inc. (e)	Management fees	$ -	$ 91,244	$ -	$ -
Fast Creative Inc. (f)	Consulting fees	$ -	$ -	$ -	$ 1,008
TOTAL:				$ -	$ 17,283

(a) Jarrett Malnarick was appointed as the Chief Executive Officer and resigned from being the Chief Operating Officer effective October 1, 2015.

(b) Mark T. Brown was appointed as the Chief Financial Officer effective October 1, 2015. Mr. Brown is the president of Pacific Opportunity Capital Ltd., a private company.

(c) Pierre Miron was appointed as the Chief Financial Officer effective December 2, 2014 and resigned on September 30, 2015.
(d) Aboriginal Import Export, a company controlled by a director of the Company who subsequent to the year-end resigned from the Board of the Company on June 4, 2016.
(e) SEDIAMEK Inc., a company controlled by a former officer of the Company.
(f) Fast Creative Inc., a company controlled by a former director of the Company.

6(h) Financial Instruments

The fair values of the Company's cash, other receivables, investments - available for sale, accounts payables and accrued liabilities, and due to related parties approximate their carrying values because of the short-term nature of these instruments.

The Company's financial instruments are exposed to certain financial risks, including market risk, liquidity risk, credit risk and currency risk.

(i) 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.

(ii) 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. The Company also issued shares and share instruments as consideration for investments, compensation and services.

As at May 31, 2017 and 2016, 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, 2017, the Company presents a working capital of $513,014. The ability of the Company to continue its activities relies upon the support of its suppliers and obtaining additional financing.

(iii) 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.

(iv) Currency risk

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 Statement of Comprehensive Loss, 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 the Company's sales of licence in the USA and the sourcing of raw material, labour and overhead office being in Canadian dollar.

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy as at May 31, 2017 and May 31, 2016.

As at May 31, 2017	Level 1	Level 2	Level 3	Total
Assets:				
Cash	$ 521,618	$ -	$ -	$ 521,618
	$ 521,618	$ -	$ -	$ 521,618

As at May 31, 2016	Level 1	Level 2	Level 3	Total
Assets:				
Cash	$ 3,206	$ -	$ -	$ 3,206
Investments - available for sale	12,000	-	-	12,000
	$ 15,206	$ -	$ -	$ 15,206

6(i) Management of Capital Risk

The Company manages its cash and cash equivalents and shareholders' equity as capital (in the comparative year the Company managed shareholders' equity as capital). The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. This objective will be achieved by identifying the right agriculture projects, adding value to these projects and ultimately taking them through to production or sale and cash flow, either with partners or by the Company's own means.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets or adjust the amount of cash and cash equivalents held.

In order to maximize ongoing operating efforts, the Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with maturities of 90 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

When financing conditions are not optimal, the Company may enter into option agreements or other solutions to continue its activities or may slow its activities until conditions improve. The Company is not subject to external capital requirements. There were no changes in the Company's approach to capital management during the period.

7. Subsequent Events

None other than disclosed already in other sections.

8. Policies and Controls

8(a) Significant Accounting Policies and Estimates

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from these estimates. The consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and further periods if the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the consolidated statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Critical judgments

- Going Concern - Evaluation of the ability of the Company to realize its strategy for funding its future needs for working capital involves making judgments.

- Share-based payments and warrants - The estimation of share-based payments and warrants cost requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has made estimates of the volatility of its own shares based on volatility of comparable companies due to the recent significant changes in its business, and the expected life of options granted and the time of exercise of those options. The model used by the Company is the Black-Scholes valuation model.

- Fair value and useful life of intangible - The value of the intangible were determined based on the fair value of the considerations exchanged, which was based on the market price of the shares issued at the dates of issuance. Management judgementally used the maximum legal life of the patent as the useful life of the intangible for purposes of amortization.

8(b) Future Accounting Pronouncements

Certain new accounting standards and interpretations have been published that are not mandatory for the May 31, 2017 reporting period. The Company has not early adopted the following new and revised standards, amendments and interpretations that have been issue but are not yet effective:

- IFRS 9 (Amended 2010) Financial Instruments (effective January 1, 2018)
- IFRS 15 Revenue from Contracts with Customer (effective January 1, 2018)

The Company anticipates that the application of the above new and revised standards, amendments and interpretations will have no material impact on its results and financial position.

8(c) Changes in Internal Controls over Financial Reporting ("ICFR")

Changes in Internal Control Over Financial Reporting ("ICFR")

In connection with National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issue Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI52-109.

Disclosure Controls and Procedures

The Company's CEO and CFO are responsible for establishing and maintaining the Company's disclosure controls and procedures. Management, including the CEO and CFO, have evaluated the procedures of the Company and have concluded that they provide reasonable assurance that material information is gathered and reported to senior management in a manner appropriate to ensure that material information required to be disclosed in reports filed or submitted by the Company is recorded, processed, summarized and reported within the appropriate time periods.

While management believes that the Company's disclosure controls and procedures provide reasonable assurance, they do not expect that the controls and procedures can prevent all errors, mistakes, or fraud. A control system, no matter how well conceived or operated, can only provide reasonable, not absolute, assurance that the objectives of the control system are met.

9. Information on the Board of Directors and Management

Directors:
Brian Whitlock
Alan Boyco
David Mack
Rick Easthom

Audit Committee members:
Alan Boyco
Brian Whitlock
David Mack

Management:
Jarrett Malnarick – Interim Chief Executive Officer
Mark T. Brown, CPA, CA – Chief Financial Officer