AFFINOR GROWERS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2018

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 January 29, 2018 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 six months ended November 30, 2018 and the Company's audited consolidated financial statements for the year ended May 31, 2018 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

Aruba

On October 1, 2018, the Company and VDA Vertical Designs Aruba VBA ("VDA Aruba") signed a technology license agreement. During the quarter, the Company announced that the government of Aruba approved VDA Aruba to build a vertical farming project in Aruba using the Company's vertical farming technology. This technology will allow VDA Aruba to produce crops year-round in Aruba's tropical climate, while utilizing land that previously could not be utilized for farming.

During the six months ended November 30, 2018, the Company shipped four growing towers to Aruba to be used to grow tomatoes.

Corporate

On September 28, 2018, the Company announced the resignation of Nick Brusatore as the Chief Executive Officer and President of the Company and the resignation of David Mack as the director of the Company. The Company also announced the appointment of Randy Minhas as the Chief Executive Office and President of the Company. Mr. Randy Minhas will remain on as the interim Chief Financial Officer until a replacement has been found. The Company has also appointed Brian Whitlock, a current director, as the Chairman of the Board.

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INTERIM PERIOD FINANCIAL CONDITION

Capital Resources

During the six months ended November 30, 2018, the Company granted a total of 1,700,000 options to its consultant and directors at prices ranging from $0.10 to $0.115 for a period of three years, expiring from July 16, 2021 to September 28, 2021.

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 November 30, 2018, the Company had a working capital of $545,824 (excluding deposit on equipment purchase) (May 31, 2018 - $967,459) including cash of $178,137 ($627,948 as at May 31, 2018) and had an accumulated deficit of $29,490,186 ($28,964,068 as at May 31, 2018) and had incurred a losses of $219,696 and $526,118 for the three and six months ended November 30, 2018 (Three and six months ended November 30, 2017 – Loss of $147,672 and 294,289).

Operations

For three months ended November 30, 2018 and three months ended November 30, 2017

During the three months ended November 30, 2018, the Company reported a loss of $219,696 ($0.00 loss per share) (2017 – $147,672 ($0.00 loss per share)).

During the three months ended November 30, 2018, the Company reported production and development costs of $47,355 (2017 - $37,297), of which $45,500 related to non-cash amortization of patents and depreciation of the growing towers (2017 - $34,645).

Excluding the non-cash amortization of $323 (2017 – $312) and share-based payment of $69,600 (2017 - $Nil), the Company's general and administrative expenses amounted to $114,973 during the three months ended November 30, 2018 (2017 – $111,331), an increase of $3,642.

The other major item for the three months ended November 30, 2018, compared with November 30, 2017 was:

- Other of $12,555 (2017 - $1,268) due to the accrued interest income of promissory notes.

For six months ended November 30, 2018 and six months ended November 30, 2017

During the six months ended November 30, 2018, the Company reported a loss of $526,118 ($0.00 loss per share) (2017 – $294,289 ($0.00 loss per share)).

During the six months ended November 30, 2018, the Company reported production and development costs of $154,533 (2017 - $76,428), of which $82,697 related to non-cash amortization of patents and depreciation of the growing towers (2017 - $69,290).

Excluding the non-cash amortization of $645 (2017 – $624) and share-based payment of $131,860 (2017 - $Nil), the Company's general and administrative expenses amounted to $264,651 during the six months ended November 30, 2018 (2017 – $219,761), an increase of $44,890. The main reason for the increase is the result of higher professional fees due to legal fees associated with filing new patents and working on licensing agreements. The Company also incurred management fees of $45,000 during the six months ended November 30, 2018. These fees were not incurred in 2017. Offsetting the increase in professional and management fees, the Company's consulting fees decreased from $75,000 during the three months ended November 30, 2017 to $60,000 during the same period in 2018.

The other major item for the six months ended November 30, 2018, compared with November 30, 2017 was:

- Other of $25,571 (2017 - $2,524) due to the accrued interest income of promissory notes.

SIGNIFICANT 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 directors, key management and companies controlled by directors and key management, as described below.

Transactions with key management personnel

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:

	Six months ended	
	November 30, 2018	**November 30, 2017**
Consulting fees	$ 60,000	$ -
Management fees	79,800	45,000
Employee benefit expenses	82,987	28,538
Share-based payments	124,380	-
Total	$ 347,167	$ 73,538

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		Transactions for the six months ended		Balance due	
	Services	November 30, 2018	November 30, 2017	As at November 30, 2018	As at November 30, 2018
Aboriginal Import Export [a]	Consulting and management fees	$ 60,000	$ -	$ -	$ -
Randy Minhas Chief Financial Officer [b]	Salaries and share-based payment	$ 82,987	$ -	$ -	$ -
Jarrett Malnarick Former Chief Executive Officer [c]	Salaries	$ -	$ 28,538	$ -	$ -
Pacific Opportunity Capital Ltd. [d]	Professional fees - accounting services	$ 40,478	$ 45,000	$ -	$ -
Softail Enterprises Inc. [e]	Management fees	$ 79,800	$ -	$ -	$ -

(a) Nicholas Brusatore was appointed as the Chief Executive Officer effective January 29, 2018 and was compensated via payment to Aboriginal Import Export, a company controlled by Mr. Brusatore. Subsequently Mr. Brusatore resiged as the Chief Executive Officer effective September 28, 2018. Mr. Brusatore continues to consult with the Company.
(b) Randy Minhas was appointed as the Chief Financial Officer effective May 2, 2018. Subsequently Mr. Randy was appointed as the Chief Executive Officer effective September 28, 2018 and remained as the interim Chief Financial Officer.
(c) Jarrett Malnarick was appointed as the Chief Executive Officer effective October 1, 2015 and resigned on January 18, 2018.
(d) Former Chief Financial Officer is the president of Pacific Opportunity Capital Ltd., a private company.
(e) Softail Enterprises Inc. is controlled by a director of the Company.

Transactions with a company controlled by an officer

In August 2018, the Company delivered two growing towers, valued at approximately $40,000, to the Company's CEO's property for use in VDL's greenhouse project as well as raw materials valued at $26,579 in preparation for the installation of additional towers.

Promissory notes with a company controlled by an officer

On August 24, 2018, the Company executed a promissory note receivable with VDL, which matures on December 31, 2018, bears simple interest on the unpaid principal from May 2, 2018, being the date the principal was originally advanced, at an annual rate of 15% and is secured by the assets of VDL, of which, there currently are none. The principal amount is $220,000. Subsequent to November 30, 2018, the Company received a payment of $14,536.

On August 9, 2018, the Company executed a promissory note to lend VDL Colombia SAS, a company owned 50% by the Company's director, for up to a maximum of US$75,000 at an interest rate of 15% per year. The loan is repayable by August 31, 2018 and is secured by the assets of VDL Colombia SAS (of which there currently are none). The shareholders of VDL Colombia SAS have also pledged its shares of VDL Colombia SAS as additional security. To date, the Company has lent US$75,000 and has received payment of CAD$50,000 subsequent to November 30, 2018.

COMMITMENTS, EXPECTED OR UNEXPECTED, OR UNCERTAINTIES

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 26, 2018 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 November 30, 2018 and MD&A date:

	Issued and Outstanding	
	November 30, 2018	January 29, 2019
Common shares outstanding	152,908,108	152,908,108
Stock options	11,000,000	11,000,000
Warrants	51,984,183	37,684,183
Broker's warrants	70,747	70,747
Fully diluted common shares outstanding	215,963,038	201,663,038

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.