AFFINOR GROWERS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED FEBRUARY 28, 2022

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 April 28, 2022. 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 condensed consolidated interim financial statements for the nine months ended February 28, 2022 and the Company's audited consolidated financial statements for the year ended May 31, 2021 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 nine months ended February 28, 2022. 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.

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. Revenue models for the Company include income from production, licensing fees, royalties on production, and margin on the sale of the Company's patented technology.

The Company's goal is to become the leading technology developer and distributor of vertical farming to help solve food security problems by using our proprietary growing systems. To that end, the Company filed patents in Australia, the EU, India, New Zealand, Saudi Arabia, South Africa and United Arab Emirates.

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. 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).

During the nine months ended February 28, 2022, the Company finished building out the Greenhouse (see below) and planted the seeds for strawberries and installed all 100 vertical growing technology in the Greenhouse and transplanted the strawberry seedlings into the towers. As well, the Company began testing various biologics on the strawberries for pollination and pest control. Furthermore, the Company designed and implemented an automated watering and fertilizing system for the towers. As the Company continues to grow its commercial production, the Company continues with advice from its experts to modify and adjust various conditions to ensure the best quality and best production. By April 27, 2022, the Company had shipped its strawberries to two local locations multiple times.

On August 10, 2021, the Company entered into a letter of intent (“LOI”) with FOFIE. to negotiate a distribution agreement whereby FOFIE will distribute Affinor products, technologies and/or services to:

- Indigenous communities, governments, corporations and organizations;
- Canadian, provincial and municipal governments in partnership or with collaborative, service or protocol agreements with Indigenous communities;
- Corporations or industry organizations in partnership or with collaborative or protocol agreements with Indigenous communities; and
- The distribution of Affinor products would be limited to sales in regions currently not covered by Affinor’s current licensing partners.

The LOI is for a period of 12 months and may be cancelled at any time by either party. The parties will work to move to a definitive distribution agreement over the 12-month period. The goal of the agreement is to work with FOFIE to being vertical farming projects to First Nation’s communities to help them solve their food security, food quality and food cost issues. From the signing of the agreement, the Company has been working with FOFIE to help develop presentation material that will be used to present the vertical farming solutions to the various First Nation’s communities in British Columbia.

3. 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.

4. Impairment of Intangible Assets

The Company completed an impairment analysis as at February 28, 2021 and concluded that there was no impairment in the Company's intangible assets

5. Material Financial and Operations Information

5(a) Selected Annual Financial Information

Selected Annual Information

	Year Ended May 31, 2021	Year Ended May 31, 2020	Year Ended May 31, 2019
Total revenues	$ -	$ 53,500	$ 3,000
Loss before other items	(973,256)	(590,017)	(913,437)
Loss on investments	-	-	-
Impairment of property and equipment, receivables, deposits and loans	(45,434)	-	(1,490,407)
Loss for the year	(1,021,858)	(693,702)	(2,403,844)
Loss per share	(0.01)	(0.00)	(0.02)
Total assets	1,773,038	1,046,591	1,185,263
Total long-term financial liabilities	-	-	-
Cash dividends declared – per share	N/A	N/A	N/A

5(b) Summary of Quarterly Results

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

	Three months ended			
	28-Feb-22	30-Nov-21	31-Aug-21	31-May-21
Total revenues	$ -	$ -	$ -	$ -
Net income (loss)	$ (173,632)	$ 87,176	$ (149,378)	($729,347)
Loss per share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)

	Three months ended			
	28-Feb-21	30-Nov-20	31-Aug-20	31-May-20
Total revenues	$ -	$ -	$ -	$ -
Net loss	$ (59,121)	$ (113,812)	$ (119,578)	$ (398,297)
Loss per share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)

5(c) Review of Operations and Financial Results

For nine months ended February 28, 2022 and nine months ended February 28, 2021

During the nine months ended February 28, 2022, the Company reported a loss of $173,632 ($0.00 income per share) (2021 – $59,121) ($0.00 loss per share)).

The Company's general and administrative expenses amounted to $165,303 during the nine months ended February 28, 2022 (2021 – $227,814), a decrease of $62,511. In general, the Company continues to focus on cost containment to ensure that all available resources are dedicated to becoming a company that produces high quality and quantity of food.

The main items of change for the nine months ended February 28, 2022, compared with February 28, 2021 were:

- Tower sales and licensing revenue was $Nil in 2022 and 2021.
- Business development expense was to $Nil.
- Consulting expense was $54,000 as compared with $36,000 in 2021. The increase was a result of the Company no longer having any employees or payment management fees. Salaries paid to employees in 2021 were $77,296 and management fees were $68,250.
- Interest expense of $3,000 (2021 - $36,237). The 2021 interest relate to the convertible debenture the Company paid off in February 2021. The 2022 interest in respect of a small borrowing in September 2022 and November 2022.
- Change in fair value of the derivative liability of $NIl (2021 - $30,112) related to the derivative liability associated with the convertible debenture.

5(d) Liquidity and Capital Resources

The Company continued to utilize its cash resources to fund its administrative requirements, product development and production of its strawberries. As the Company is just starting to generate revenue, cash balances are being continually monitored and are replenished by capital fundraising as needed.

In order to fund the Company's ongoing operational needs and expansion plans, 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.

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 condensed consolidated interim 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

As of the date of this MD&A, the Company's share structure is as follows:

	Issued and Outstanding April 28, 2022	May 31, 2021
Common shares outstanding	221,463,625	211,033,620
Share options	14,000,000	1,700,000
Warrants	51,888,850	41,458,845
Fully diluted common shares outstanding	287,352,475	254,192,465

Share option transactions and the number of share options for the nine months ended February 28, 2022 are summarized as follows:

Expiry date	Exercise price	May 31, 2021	Granted	Exercised	Expired/ cancelled	February 28, 2022
July 16, 2021	$ 0.10	100,000	-	-	100,000	-
August 24, 2021	$ 0.115	600,000	-	-	600,000	-
September 27, 2021	$ 0.10	1,000,000	-	-	1,000,000	-
July 25, 2031	$ 0.04	-	6,500,000			6,500,000
August 10, 2031	$ 0.05		1,000,000			1,000,000
November 2, 2031	$ 0.03		4,000,000			4,000,000
November 2, 2031	$ 0.05		1,000,000			1,000,000
December 7, 2031	$ 0.05		1,000,000			1,000,000
February 22, 2032	$ 0.040		500,000			500,000
Options outstanding		1,700,000	14,000,000	-	1,700,000	14,000,000
Options exercisable		1,700,000	14,000,000	-	1,700,000	14,000,000
Weighted average exercise price		$ 0.11	$ 0.039	$ -	$ 0.11	$ 0.039

The continuity of warrants for the nine months ended February 28, 2022 is as follows
:

Expiry date		Exercise Price		Issued	Exercised	Expired	28-Feb-22
August 21, 2022	**	$0.06	-	12,744,561	-	-	12,744,561
February 26, 2023		$0.05		28,714,284			28,714,284
January 14, 2024		$0.05		10,430,005			10,430,005
Outstanding				51,888,850	-	-	51,888,850
Weighted average exercise price			-	$ 0.052	-	-	$0.052

5(f) Off-Balance Sheet Arrangements

None.

5(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:

	Nine Months Ended	
	28-Feb-22	28-Feb-21
Consulting fees	$ 54,000	$ 36,000
Management fees	-	68,250
Wages and employee benefits	-	77,296
Total	$ 54,000	$ 181,546

		Transactions for the Nine Months ended		Balance due	
	Services	28-Feb-22	28-Feb-21	As at 28-Feb-2022	As at 28-Feb-2021
Randy Minhas, Chief Financial Officer	Salaries and share-based payment	$ -	$ 77,296	$ -	$ 25,000
Softail Enterprises Inc.	Management fees	$ -	$ 68,250	$ 68,250	$ 68,250
Rick Easthom, Director	Management fees	$ 9,000	$ 3,000	$ -	$ -
Ron Fraser, Chief Operating Officer	Management fees	$ -	$ 15,000	$ -	$ -
Sarj Dhaliw al, Chief Financial Officer	Management fees	$ 54,000	$ 18,000	$ -	$ 12,000

(a) Randy Minhas was appointed as the Chief Financial Officer effective May 2, 2018 and named Chief Executive Officer on September 28, 2018. Amounts owing at February 28, 2021 were for unpaid severance.
(b) Softail Enterprises Inc. is controlled by a former director of the Company. The balance owing as of February 28, 2022 are for management fees invoiced prior to November 30, 2020. The Company is disputing the validity and reasonableness of the fee.
(c) Rick Easthom is a director and Chairman of the Board of Directors of the Company.
(d) Ron Fraser was appointed Chief Financial Officer on December 8, 2021, resigned effective February 1, 2021 and received a monthly fee of $6,000
(e) Sarj Dhaliwal was appointed Chief Financial Officers effective December 1, 2021 and receives a monthly fee of $6,000.

5(h) Financial Instruments

The fair values of the Company's cash, receivables, due from related party (excluding GST), and accounts payables and accrued liabilities 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 due to 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 does not trade in financial assets for speculative purposes. The Company's debt bears interest at 15% per annum.

(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 other financial assets.

As at February 28, 2022 and May 31, 2021, all of the Company's financial liabilities have contractual maturities of less than 28 days and are subject to normal trade terms, except for the convertible debenture payable.

As at February 28, 2022, the Company has financial assets of $215,406 to cover financial liabilities of $820,485. 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. The Company is exposed to credit risk on cash, receivables (excluding GST/sales taxes), deposits and due from related parties. Cash is held with a Canadian chartered bank and management considers this risk to be negligible. The amounts due from related parties are unsecured.

The Company manages and controls credit risk by requiring deposits or prepayments on sales of vertical farming technology. As it relates to transactions with related parties, the Company adopted a new policy in fiscal 2019 that no funds would be advanced to related parties.

(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 consolidated statement of comprehensive loss, which is the effect of currency rates on expected future cash flows and investments.

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).

5(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. Policies and Controls

7(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:

- The assessment of the ultimate collectability of due from related party.

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.

- Provision for credit losses - Judgment is required as to the timing of establishing a provision for credit losses and the amount of the required provision, taking into consideration factors such as counterparty creditworthiness, the fair value of the underlying collateral, current economic trends and past experience.

- Fair value and useful life of intangible assets - The value of the intangible assets was determined based on the fair value of the consideration 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 assets for purposes of amortization.

- Impairment of intangible assets – The determination that there are no indicators of impairment indicating that the carrying amount exceeds the recoverable amount.

  Judgment is required in assessing whether certain factors would be considered an indicator of impairment or impairment reversal. Management considers both internal and external information to determine whether there is an indicator of impairment or impairment reversal present and, accordingly, whether impairment testing is required.

7(b) 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.

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8. Information on the Board of Directors and Management

Directors:
Nick Brusatore
Alan Boyco
Rick Easthom

Audit Committee members:
Alan Boyco
Nick Brusatore
Rick Easthom

Management:
Nick Brustore, Chief Executive Officer
Sarj Dhaliwal, CPA, CA – Chief Financial Officer