Management's Discussion and Analysis of

GREEN RISE FOODS INC.

For the years ended December 31, 2021, and December 31, 2020

(Canadian Dollars)

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") of Green Rise Foods Inc. (hereinafter "Green Rise" or "the Company") provides a discussion and analysis of the financial condition and results of operations to enable a reader to assess the financial condition of the Company as at December 31, 2021, and the results of operations for the year ended December 31, 2021.

The MD&A should be read in conjunction with the audited condensed consolidated financial statements ("financial statements") of Green Rise as at December 31, 2021. The accompanying financial statements have been prepared by and are the responsibility of Green Rise's management. The financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

All amounts in this discussion are expressed in millions of Canadian dollars (CAD), unless otherwise indicated.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute "forward-looking information" and "forward-looking statements". All statements other than statements of historical fact contained in this MD&A. Such statements can, in some cases, be identified by the use of forward-looking terminology such as "expect," "likely", "may," "will," "should," "intend," or "anticipate," "potential," "proposed," "estimate" and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions "may" or "will" happen, or by discussions of strategy. The forward-looking statements included in this MD&A are made only as of the date of this MD&A and the Company assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise, except as required by law.

Forward-looking statements in this MD&A are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements. Management provides forward-looking statements because it believes they provide useful information to readers when considering their investment objectives and cautions readers that the information may not be appropriate for other purposes.

Some of the risks which could affect future results and could cause results to differ materially from those expressed in the forward-looking statements contained herein include:

- expansion of facilities;
- changes in laws, regulations and guidelines;
- legislative or regulatory reform and compliance;
- competition;
- environmental regulations and risks;
- limited operating history;
- risks inherent in an agricultural business;
- retention and acquisition of skilled personnel;
- negative consumer perception;
- product liability;
- insurance coverage;

- regulatory or agency proceedings, investigations and audits;
- litigation;
- constraints on marketing products;
- fraudulent or illegal activity by the Company's employees, contractors and consultants;
- information technology systems and cyber-attacks;
- breaches of security and risks related to breaches of applicable privacy laws;
- access to capital;
- estimates or judgments relating to critical accounting policies; and
- extended economic downturn caused by the COVID-19 pandemic.

In addition to the factors set out above and those identified in this MD&A under "Risks and Uncertainties", other factors not currently viewed as material could cause actual results to differ materially from those described in the forward-looking statements. Although the Company has attempted to identify important risks and factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors and risks that cause actions, events or results not to be anticipated, estimated or intended. Accordingly, readers should not place any undue reliance on forward-looking statements.

OVERVIEW OF GREEN RISE

Green Rise was incorporated under the Business Corporations Act (Ontario) on June 9, 2017 and was classified as a Capital Pool Company ("CPC"), as the term is defined in Policy 2.4 of the TSX Venture Exchange ("the Exchange") Corporate Finance Manual. The principal business of the CPC was the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT").

On September 30, 2019, the Company completed its previously announced QT with Bull Market Farms Inc. ("Bull Market") ("the Transaction") under the policies of the Exchange. In 2018, Bull Market acquired its farm with an existing 51-acre producing greenhouse ("GR1") and is a grower of greenhouse fresh produce located in Leamington, Ontario. The GR1 farm has historically produced two types of tomatoes – beefsteak and a varietal of medley cherry tomatoes. With the Transaction, the Company completed its first greenhouse range acquisition. The Company has plans to increase its cultivation capacity and on February 1, 2021, through Bull Market, completed its acquisition of its second range, a 22-acre producing greenhouse ("GR2") located in Kingsville, Ontario. The GR2 farm produces beefsteak tomatoes. The Company aims to be the best in quality and lowest cost grower of greenhouse-grown fresh produce. To achieve this status, the Company's goals include:

- Diversifying its greenhouses and pack-lines to be able to offer multi-sku product offerings of fresh produce;
- Maintaining policies that attract, motivate, and retain a highly skilled workforce with years of agricultural experience in the greenhouse fresh produce industry;
- Improving processes and seeking out new technologies to help reduce our carbon footprint, drive costs lower, improve product quality and reduce waste and inefficiencies;
- To maintain a strict financial discipline to acquire assets and select annual crop plantings that position the Company to consistently offer the best pricing to its customers and provide consistent financial returns to our shareholders.

These items have helped Green Rise achieve key milestones and weather certain headwinds listed on page 4 and 5 of this MD&A under the heading "Highlights for Fiscal 2021" and "Highlights Subsequent to Fiscal 2021".

On October 16, 2020, the Company officially changed its name from Green Rise Capital Corporation to Green Rise Foods Inc. The name change received shareholder approval at its annual general and special meeting of shareholders held on July 8, 2020 and from the TSX Venture Exchange on October 16, 2020.

The Company's common shares are listed on the Toronto Venture Stock Exchange (the "TSX-V") under the trading symbol "GRF.V". The TSX-V approved the Transaction on October 4, 2019.

The address of the Company's registered office is 47 Colborne Street, Suite 301, Toronto, Ontario, M5E 1P8, Canada.

The seasonal operation consists of the growing, packaging and the sale of produce to a few major customers.

Highlights for Fiscal 2021

- On February 1, 2021, the Company completed the acquisition, through Bull Market, of the net assets of Mor Gro Farms Inc. / GR2, comprising a 22-acre greenhouse range on a 57-acre property in Kingsville, Ontario for cash consideration of $16 million. The assets acquired included 100% of the shares of Mor Gro Sales Inc., a distribution company of fresh produce.

- With the acquisition of GR2, the Company now owns and operates 73-acres of greenhouse cultivation capacity at 2 different locations.

- The Company generated a record $17.1 million in tomato sales as compared to $14.8 million in the prior year period. This increase in sales is attributable to the acquisition of GR2.

- In March 2021, the Company experienced a crop loss at its newly acquired GR2 facility resulting in an impairment charge on its bearer plants of $1.1 million. A complete crop failure has never occurred in the history of the GR2 facility which has been operating for over 23 years. Accordingly, the Company views this loss as a highly unusual event. Upon concluding the original plant crop could not be saved, the Company completed in record time, a replant of the entire crop at its GR2 facility. While the crop loss caused a 2 to 3-month delay in the 2021 pick season at the Company's GR2 facility, the speed of the execution of the replant helped minimize lost revenue and margin for the 2021 harvesting season. The Company began shipping beef steak tomatoes out of its GR2 facility in mid June 2021.

- The availability of insurance recoveries and Government sponsored program to help mitigate the loss of the crop loss at the GR2 facility continues to be pursued by the Company. To date, no insurance recoveries have been recorded in the Company's results. The Company does participate in the AgriStability program ("AgriStability") and was awarded $363 thousand based on an interim application the Company filed in November 2021. AgriStability is a margin-based program designed to help producers manage large income declines in farming income. It provides payments when farming income falls more than 70% from a Company's reference margin. The reference margin is calculated based on an average of the Company's last 5 years of farming income (dropping the highest and lowest values). The maximum amount that can be awarded to any Company is $3.0 million in any given year under this program. The Company expects to file its final 2021 return in the coming weeks. A total of $363 thousand on this program was recognized as a reduction in cost of sales in 2021.

- The Company generated Adjusted EBITDA of $4.4 million as compared to $6.5 million in the prior year period. The decrease in EBITDA is attributed to the crop loss suffered at GR2 and headwinds experienced in the current period impacting our GR1 facility which included: (1) Lower yields due to adverse weather conditions; (2) Revenue impacts attributed to a normalization of tomato beef-steak pricing and (3) Increased costs relating to Government mandated COVID-19 protocols for all inbound travellers to Canada.

- To help mitigate risk factors that impact yields and revenues the Company in late 2021 made strategic decisions to its 2022 crop selection which included the following:

    - At the GR1 facility the Company planted 36 acres of the medley tomato variety with sales at fixed contract pricing. 9 of the 36 acres at the GR1 facility will be a piccolo variety.
    - The Company's medley variety tomatoes are high yielding mini-hybrid speciality tomatoes that have consistent production yields as compared to our beef steak product SKUs.

  By employing this strategy, the Company has fixed pricing on 62% of its 2022 crops as compared to 31% in the 2021 harvesting season, on produce that is more resilient and has historically produced more consistent yields.

Highlights Subsequent to 2021:

- On April 1, 2022, the Company entered into a definitive asset purchase agreement with 2073834 Ontario Limited (the "Vendor"), to acquire a 16-acre greenhouse range ("Green Rise 3" or "GR3") located on a 34-acre farm in Kingsville, Ontario for cash consideration of approximately CDN$15 million (the "GR3 Acquisition"). The Company intends to fund the GR3 Acquisition with conventional mortgage financing and expects the GR3 Acquisition to close in the second half of May 2022, subject to notice to, and the approval by, applicable securities law regulatory authorities including the TSXV and the satisfaction of any requirements of such authorities. The transaction is also conditional upon satisfactory due diligence, formal board approval and other usual conditions. The Vendor is principally owned and controlled by Adam Suder, the Chief Growth Officer of Green Rise.

  GR3 is currently producing and packing high demand, high quality mini peppers with all production committed under contract pricing. GR3's fixed contract raises the Company's total fixed contract pricing to 70% of the total expected 2022 production, a 125% increase over the prior year period. This transaction allows the Company to support its customers by offering high quality, multi-sku produce in beef steak, medley, piccolo and mini peppers. The speciality mini peppers also have greater certainty of yields which allows for better forecasting of production and delivery volume to the Company's customers.

- The 2022 crop season is progressing and as at the date of this report, fresh produce is being picked at the Company's GR1 and GR2 facilities and shipped to Green Rise's partners and customers. The Company's labor costs are as budgeted, and the Company continues to monitor inflationary pressures on input costs. The Company took steps to ensure its employees were fully vaccinated and as a result the cost of government mandated quarantines and resulting labor disruptions have been significantly reduced as compared to the prior year period. In addition to monitoring labor closely, the Company has fixed its production costs on its bearer plants and utility costs for the 2022 season.

Significant Transactions

Mor Gro Farms Inc. Acquisition

On February 1, 2021, the Company via its wholly owned subsidiary Bull Market Farms, acquired the assets of Mor Gro Farms Inc., a greenhouse range located in Kingsville, Ontario, for a purchase price of $16.0 million. The assets acquired include 100% of the shares of Mor Gro Sales Inc., a distribution company of fresh produce. The transaction constitutes a business combination under IFRS 3 – Business Combinations. In accordance with the acquisition method of accounting, the purchase price has been allocated to the underlying assets acquired and liabilities assumed, based primarily on their estimated fair values at the date of the acquisition. The Company used a combination of a direct comparison approach and a discounted cash flow model (net present value of expected future cash flows) to determine the fair value of the assets acquired. The purchase price allocation is summarized in the following table:

Purchase Price Cash Consideration	***($000s)***
Total Cash Consideration	**16,013**
Net Identifiable Assets Acquired	
Cash	19
Trade and other receivables	421
Bearer plants	811
Other assets	180
Property, plant and equipment	15,866
Accounts payable and contracts assumed	(1,054)
Right of use asset obligations	(230)
Total net assets acquired	16,013

The acquisition resulted in the addition of experienced growers and managers that bring decades of experience in growing and distributing fresh produce. In addition, the increased production allows the Company to increase its buying power and with that the ability to improve the Company's gross margins.

The Company recorded $4,944 of revenue and a $1,589 net loss in the consolidated statement of earnings (loss) and comprehensive earnings (loss) for the year ended December 31, 2021, as a result of the acquisition. If the acquisition occurred as of January 1, 2021, revenue for the year ended December 31, 2021 would have been $4,944 and the loss would have been $1,664.

Seasonality

The nature of the food production business is predictably seasonal. Currently, the Company’s growing season allows for saleable product between the months of April and December. Accordingly, Q2 and Q3 are expected to be the Company’s strongest quarters. During Q4, operations begin to wind down through the month of December when management starts the process of cleaning out the greenhouse in preparation for the next growing season.

Overall Performance

SELECT QUARTERLY INFORMATION

The summary is set out in the following table. The amounts are derived from the financial statements prepared under IFRS.

($ thousands)	**Three-months ended Dec 31, 2021**	Three-months ended Dec 31, 2020	**Year ended Dec 31, 2021**	Year ended Dec 31, 2020
Total revenue	**$2,784**	$2,827	**$17,711**	$15,413
-Production costs[1]	**2,514**	2,001	**12,097**	7,452
-Depreciation and amortization	**1,479**	833	**5,752**	3,664
-SG&A, excluding depreciation	**707**	552	**2,927**	1,695
-Net change in unrealized (gain) loss on biological asset	**667**	279	**-**	-
Earnings (Loss) from operations	**$(2,583)**	$(838)	**$(3,065)**	$2,602
-Interest expense	**328**	`202	**1,160**	898
-Income tax expense (recovery)	**(255)**	(27)	**(810)**	839
Net earnings (loss)	**$(2,656)**	$(1,013)	**$(3,415)**	$865
Adjusted EBITDA[2]	**$(427)**	$329	**$4,432**	$6,530

1. Production costs include raw materials, labor, repairs and maintenance expenses and bearer plant impairments.
2. Page 16 of this MD&A includes a reconciliation of net earnings to EBITDA.

Results for the year ended December 31, 2021

Earnings (Loss) from operations

Revenue

The Company generated $17.7 million in revenue as compared to $15.4 million in the prior year comparative period. The increase of $2.3 million in sales was attributed to the additional fresh produce grown at the newly acquired GR2 facility. This increase was offset by lower revenues at its GR1 facility resulting from a normalization of beef steak prices and a reduction in the Company's beef steak yields due to adverse weather conditions as compared to the prior year period.

Production costs

Production costs were $12.1 million as compared to $7.5 million in the prior year comparative period. The increase of $4.6 million relates to the following items: (1) A $1.1 million impairment charge resulting from the crop failure at the Company's GR2 facility; (2) Higher labor costs experienced of $2.2 million as compared to the prior year period. The main drivers of the higher labor costs stem from the labor disruptions and increased accommodation and travel costs resulting from the mandatory 14-day quarantines on incoming foreign workers and, secondly, the additional labor force resulting from the acquisition of the Company's GR2 facility; (3) Finally, the raw material inputs and repairs and maintenance costs at the newly acquired GR2 facility accounted for the remaining $1.3 million increase.

Depreciation and amortization

Depreciation costs were $5.8 million as compared to $3.7 million in the prior year period. This increase of $2.1 million was attributed primarily to (1) the additional depreciation relating to the newly acquired GR2 greenhouse property, plant and equipment; (2) The additional amortization relating to the replanted bearer plant from the Company's GR2 facility, and (3) higher labor and raw material input costs allocated to the Company's GR1 bearer plants. The increased costs in GR1 bearer plants resulted from labor disruptions and higher lodging and travel costs caused by Government mandated quarantine protocols and with higher costs associated with plant propagation, as compared to the prior year.

SG&A, excluding depreciation

Selling, general and administrative expenses, excluding depreciation on our 15-acre leased greenhouse at the Company's GR1 facility amounted to $2.9 million as compared to $1.7 million for the same period in the prior year. This increase of $1.2 million was attributed to the following: (1) $0.3 million for employee bonuses and termination costs relating to the Mor Gro Farms Inc. / GR2 acqusition; (2) $0.3 million related to the land transfer taxes paid on the GR2 acquisition; (3) $0.1 million relating to higher stock-based compensation and (4) the remaining difference of $0.5 million was attributable to the additional SG&A of the newly acquired GR2 facility (including insurance, property taxes, market board fees and other SG&A costs associated with operating a greenhouse range).

Net earnings

Interest expense

Interest expense increased by $0.3 million as compared to the prior year. A total of $0.4 million was additionally incurred due to the interest charged on the $13 million RBC mortgage on the newly acquired GR2 property. An additional $0.1 million was incurred as a result of the Company drawing and carrying higher balances on its operating lines, as compared to the prior year. These increases were offset by the refinancing (effectively lowering the interest rate from 5.5% to 1.95%) of the $5 million Vendor Take Back ("VTB") mortgage on the Company's GR1 property. The refinancing of the VTB closed in December 2020 and accordingly a savings of $0.2 million was realized in 2021.

Income tax expense (recovery)

The income tax recovery came in at $0.8 million as compared to an income tax expense of $0.8 million in the prior year period. The recoverable amount is the result of the net loss noted in the current period as compared to the net earnings in the comparative prior year period.

Selected Annual Information:

($ thousands)	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
Total revenues	17,711	15,413	13,697
Earnings (loss) from operations	(3,065)	2,602	900
Net earnings (loss)	(3,415)	865	(2,235)
Total assets	43,694	32,153	31,904
Total long-term liabilities	30,615	21,036	21,361
Basic and diluted earnings (loss) per share	(0.08)	0.02	(0.06)
Weighted average number of common shares outstanding			
Basic	45,056,648	54,727,382	37,527,813
Diluted	45,046,648	56,393,848	37,527,813

Revenues

Revenues increased by $2.3 million and $1.7 million respectively over the last two fiscal years. The increase noted in the current fiscal year ended as compared to the prior year period was due to the addition of the newly acquired GR2 facility which was offset by lower beef pricing and yields at the Company's GR1 facility. The increase noted for the year ended December 31, 2020, as compared to the fiscal year ended December 31, 2019, was due to the increase in beef steak pricing.

Earnings (loss) from operations and net earnings (loss)

The operational loss noted for the current fiscal year ended December 31, 2021, as compared to the prior year, is the result of (1) the GR2 crop loss; (2) Lower beef pricing and yields at the Company's GR1 facility; (3) The increased labor costs associated with the Government mandated COVID protocols; and (4) The increase costs associated with operating a second farm. Earnings from operations, for the fiscal year ended December 31, 2020, increased by $1.7 million as compared to the prior year period. This was the result of the higher beef pricing experienced in 2020 as compared to the fiscal year ended December 31, 2019.

Net earnings were $3.1 million higher for the fiscal year ended December 31, 2020, as compared to 2019. This was the result of a listing fee expense of $2.3 million incurred in 2019. The remaining difference between the year ended December 31, 2020, and 2019 related to deferred income tax expenses. A deferred income tax expense of $0.8 million was recorded in 2020 while a recovery of $0.2 million was recorded for the fiscal year ended December 31, 2019.

Assets and long-term liabilities

The increase in assets and long-term liabilities noted for the year-ended December 31, 2021, was the result of the addition of the assets of the newly acquired GR2 facility and the long-term portion of the mortgage of $13 million, issued by the Royal Bank of Canada, on the GR2 land and buildings.

Assets and liabilities remained relatively flat between the fiscal year ended December 31, 2020, and 2019. Increases in deferred tax liabilities and lease obligations for the year ended December 31, 2020, were offset by lower mortgage debt resulting from principal repayments made in 2020.

Basic and diluted earnings (loss) per common share

This is a function of net earnings (loss) and the weighted average number of common shares outstanding. The decrease in common shares noted for the year ended December 31, 2021, is the result of a share buy back which took place in August 2020. In comparison the increase in common shares noted between the fiscal year ended December 31, 2020 and 2019 is the result of two transactions being: (1) In August 2019 the Company completed a non-brokered private placement and issued 18,343,000 in common shares; and (2) On September 30, 2019, the Company issued 30,000,000 in common shares pursuant to the reverse take over transaction between Bull Market and Green Rise.

Summary of quarterly results

($ thousands)	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Revenues	2,784	7,514	7,144	269	2,827	6,633	5,812	141
Earnings (loss) from operations	(2,583)	85	1,342	(1,909)	(838)	1,949	2,256	(765)
Net earnings (loss)	(2,656)	(93)	649	(1,315)	(1,013)	1,219	1,262	(603)
Basic and diluted EPS	(0.06)	0.00	0.01	(0.03)	(0.02)	0.02	0.02	(0.01)
Total assets	43,694	46,903	50,612	48,144	32,153	33,189	33,684	32,524
Total liabilities	38,828	39,468	43,144	41,439	24,201	24,296	24,248	24,350
Equity	4,866	7,436	7,468	6,705	7,952	8,893	9,436	8,174

Results for the three-month period ended December 31, 2021

Earnings from operations

Revenues

The Company generated $2.8 million in revenue as compared to $2.8 million in the prior year period. Increases in revenue from the newly acquired GR2 facility were offset by decreases in revenue at the Company's GR1 facility. Lower beef steak pricing and adverse weather conditions impacted both the beef steak and medley variety production yields resulting in lower revenue for the quarter for the GR1 facility, as compared to the prior year period.

Earnings (loss) from operations

Production costs were $2.5 million as compared to $2.0 million in the prior year comparative period. The increase of $0.5 million relates primarily to the additional raw material and labor required to manage the greenhouse at the Company's newly acquired GR2 facility.

Depreciation and amortization

Depreciation costs were $1.5 million as compared to $0.8 million in the prior year period. This increase of $0.7 million was attributed to (1) the additional depreciation relating to the newly acquired GR2 greenhouse property, plant, and equipment (which accounted for $0.5 million of the increase); and (2) the remaining difference was attributed to higher amortization costs, resulting from higher labor and plant propagation costs capitalized in the first quarter to bearer plants. The bearer plant costs are effectively the amortized over revenues in the remaining three quarters of the fiscal year.

SG&A, excluding depreciation

Selling, general and administrative expenses were $0.7 million as compared to $0.5 million in the prior year period. This increase of $0.2 million was attributed to the additional SG&A of the newly acquired GR2 facility (including additional insurance, property taxes, market board fees and other SG&A costs associated with operating a greenhouse range).

Net change in unrealized (gain) in biological asset

The net change in unrealized (gain) in biological asset was a loss of $0.7 million as compared to a loss of $0.3 million in the prior year period. The larger increase as compared to the prior year period is consistent with the fact that the Company had 58 acres of unpicked fruit on its bearer plants at the start of the quarter as compared to 36 acres in the prior year period. The increase in acreage was the result of the new acquired GR2 facility. Consistent with prior year at the end of the quarter, the Company does not have any bio assets as the GR1 and GR2 facilities are cleaned in preparation for the next seasons crop planting.

Net earnings

Interest expense

Interest expense increased by $0.1 million from the prior year period. The increase was due to the additional interest charges on the $13 million RBC mortgage on the newly acquired GR2 property and higher interest charges as a result of the Company drawing and carrying higher balances on its operating lines, as compared to the prior year. These increased interest charges were offset by the refinancing (effectively lowering the interest rate from 5.5% to 1.95%) of the $5 million VTB mortgage on our GR1 property. The refinancing of the VTB closed in late December 2020 and, accordingly, a savings of $42 thousand was realized in the three-month period ended December 31, 2021, as compared to the prior year period.

Income tax recovery

The income tax recovery came in at $0.3 million as compared to no income tax expense or recovery in the prior year period. The difference is the result of the increase in the Company's net loss in the current period as compared to the prior year period.

LIQUIDITY AND CAPITAL RESOURCES

Financial Condition Review

($ thousands)	**December 31, 2021**	December 31, 2020
Cash	-	3,057
Working Capital (Deficit)[1]	(6,250)	1,485
Total Assets	43,694	32,153
Total Liabilities	38,828	24,201
Net Equity	4,866	7,952

1) Working capital is the net of all current assets and liabilities.

During the fiscal year ended December 31, 2021, cash decreased by $3.0 million, and the Company drew $2.9 million on its operating line. The Company used cash to execute four activities: (1) To close the acquisition of Mor Gro Farms Inc. ($3.2 million use of funds); (2) To invest in its bearer plants ($3.8 million use of funds); (3) to purchase a new boiler on its 15-acre leased greenhouse at its GR1 facility ($0.4 million use of funds) and (4) to repay long-term debt obligations ($1.9 million use of funds). These uses of cash were offset by the cash generated from operations ($3.1 million source of funds).

In the first quarter of each fiscal year the Company is exposed to risks related to seasonality as there is limited revenue from January through to mid-April. Accordingly, the Company has in place a planning and forecasting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. If the current resources and cash generated from operations are insufficient to satisfy its obligations, the Company can draw on its credit facility of $5,000 (December 31, 2020: $3,500) to meet its obligations. Normally this facility is fully paid by year-end however as a result of the crop loss at the Company's GR2 facility, lower yields on beef steak produce at its GR1 facility (due to adverse weather conditions) and higher labor costs resulting from Government mandated COVID-19 protocols, the Company had a drawn balance of $2,914 on its operating lines resulting in credit availability of $2,086. The Company had considered several options for addressing this drawn balance and instead on March 1, 2022, received a temporary line extension of $1,250 from the Royal Bank of Canada. The temporary line extension is expected to be adjusted back to $5,000 on July 15, 2022, where the Company is forecasting a drawn balance amount of $3,800 on its credit facility. The Company full expects to have the operating lines full paid by the end of December 31, 2022.

In the second and third quarters of each fiscal year, the Company generates its greatest revenues and cash flows resulting from the growth of and the timing of planting of, its bearer plants. By the start of Q4, the Company typically has one stem remaining on its bearer plants and by December it begins to wind down its crop operations for the year, in preparation for new crop harvest in the next year. In addition, with the wind down it collects the majority if not all of its customer receivables before the end of the fiscal year.

Total Assets increased by $11.5 million as compared to December 31, 2020, which is mainly attributed to acquiring $17.3 million of assets from the Mor Gro Farms Inc. / GR2 acquisition. This was offset primarily by the utilization of $3.1 million in cash to fund the newly acquired GR2 facility and annual deprecation of $2.3 million relating to the utilization of the Company's property, plant and equipment.

Total Liabilities increased by $14.6 million. This is a result of (1) an increase of $11.1 million in current and long-term debt relating to the first mortgage on the GR2 property acquisition; (2) A $1.0 million increase in payables, accruals and lease obligations resulting from obligations relating to the newly acquired GR2 facility; (3) An increase of $0.4 million primarily in utility payables at the GR1 facility as a result of colder weather and the higher costs of the Company's natural gas forward contracts as a result of higher natural gas prices and, finally, liabilities increased by the $2.9 million draw down on the Company's operating lines (there was no draw down at the end of December 31, 2020). These increases were offset by the decrease in deferred income tax liability of $0.9 million.

Equity decreased by $3.1 million primarily due to the net loss of $3.4 million during the period which was offset by an increase of $0.3 million stemming from common stock issued during the year on the exercise of stock options and stock-based compensation expensed during the year.

CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments based on the funds available to support the development of management's planned business activities. The Board of Directors does not establish quantitative return on capital criteria for management, but instead relies on the expertise of management to sustain future development of the business.

Management expects to generate sufficient cash flows from operations to meet its debt servicing, principal payment, and working capital requirements over both the short and long-term through increased profitability and strong management of working capital and capital expenditures. The Company regularly reviews all of its assets to ensure appropriate returns on investment are being achieved and fit with the Company's long-term strategic objectives.

In the definition of capital, the Company includes equity, which is comprised of share capital, contributed surplus and retained earnings.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

As at December 31, 2021 the payments due by period are set out in the following table:

($000s)	**Total**	**Less than 1 Year**	**1 – 5 Years**	**After 5 Years**
Trade Payables	3,117	3,117	-	-
Lease obligations	438	163	275	-
Long-term debt	31,377	2,019	11,041	18,317
Total	34,932	5,299	11,316	18,317

COMMITMENTS

The Company has entered into an agreement with a customer for a 10-year period to supply produce from its GR1 facility at prevailing market prices.

As at December 31, 2021, the Company had $2,839 thousand relating to purchase commitments. These commitments relate to input costs for the 2022 crop season and commitments to acquire gas through to November 2022.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

TRANSACTIONS BETWEEN RELATED PARTIES AND KEY MANAGEMENT COMPENSATION

Key management personnel are those persons having authority for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and members of its Board of Directors. For the year ended December 31, 2021, the Company paid $450 in management salaries (2020: $332), $200 in management bonuses (2020: $Nil) and had $167 in stock-based compensation (2020: $89). The Company also paid $8 (2020: $Nil) to a corporation controlled by an officer of the Company. The transaction was at fair value and related to capital improvements on its equipment.

RISKS AND UNCERTAINTIES

There are a number of risk factors that could cause future results to differ materially from those described herein. Additional risks and uncertainties, including those that the Company does not know about or that it currently deems immaterial, could also adversely affect the Company's business and results of operations.

On January 30, 2020, the World Health Organization declared the coronavirus outbreak ("COVID-19") a "Public Health emergency of International Concern", and on March 11, 2020 declared COVID-19 a pandemic. The impact of COVID-19 could negatively impact the Company's operations, suppliers or other vendors and customer base. The operations for the Company's services could be negatively impacted by the regional and global outbreak of COVID-19, including stop-work orders for an unknown period of time. Any quarantines, labor shortages or other disruptions to the Company's operations, or those of its customers, may adversely impact the Company's revenues, ability to provide its services and operating results. In addition, a significant outbreak of epidemic, pandemic or contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, including the geographical area in which the Company operates, resulting in an economic downturn that could affect demand for its services. As of the date of this management, discussion and analysis, the Company's operations have been classified as an essential service and there has been no disruption to the current operating activities. The extent to which COVID-19 impacts the Company's future results will depend on further developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19 and actions taken to contain COVID-19 or its impact, among others.

CRITICAL ACCOUNTING JUDGMENT AND ESTIMATION UNCERTAINTIES

Areas where critical accounting estimates and judgments have the most significant effect on the amounts recognized in the financial statements include:

- Estimated useful life of property, plant and equipment

  Management estimates the useful lives of property, plant and equipment based on the period during which the assets are expected to be available for use. The amounts and timing of recording expenses for depreciation of property, plant and equipment for any period are affected by these estimated useful lives. The estimates are reviewed at least annually and are updated if expectations change as a result of physical wear and tear, technical or commercial obsolescence and legal or other limits to use. It is possible that changes in these factors may cause significant changes in the estimated useful lives of the Company's property, plant and equipment in the future.

- Leases:

  The Company uses judgement to determine the incremental borrowing rate used to calculate the initial liability and corresponding asset. The incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar value to the right-of use asset in a similar economic environment.

- Estimated fair value of biological asset

  The estimates and underlying assumptions are reviewed on an ongoing basis. The most significant estimates include those related to the valuation of biological assets (See Note 5 to the Green Rise 2021 consolidated financial statements). Biological assets are measured at the fair value less costs to sell, which is calculated as expected sales of harvested biological produce, less costs to sell and costs to complete. Management estimates the sales price of the produce on the vine by utilizing actual sales prices in the following period, estimates the expected yield based on historical production and estimates the costs to sell and costs to complete, which includes packaging and transportation costs. Stage of growth and remaining costs to complete for in-progress produce are estimated by management based on historical production. The estimated inputs are subject to fluctuations based on the timing and prevailing growing conditions and market conditions.

- *Bearer assets*

  The classification of bearer assets is a significant judgment. Expenditures for bearer assets are recorded in investing activities on the statement of cash flows. Bearer assets are depreciated based on the estimated yield profile of the plants over their life. The amounts and timing of recorded expense for depreciation of bearer plants for any period are affected by the estimate of useful lives.

- *Business combination*

  The Company applies judgment in determining a business is acquired when the integrated set of assets and activities includes at a minimum, an input and substantive process and whether the acquired set has the ability to contribute to the creation of outputs.

  In a business combination, a significant area of judgment and estimation relates to the determination of the fair value of assets and liabilities acquired including any intangible assets and goodwill identified.

- *Going Concern*

  The Company regularly reviews and assesses its ability to continue as a going concern. This assessment relies on significant judgements and assumptions, taking into account known future information, including whether events or conditions create material uncertainties that may cast significant doubt on the ability to continue as a going concern.

  In assessing the Company's ability to continue as a going concern, management applied judgement as to the Company's ability, and has a reasonable expectation it will be able to (i) to fund operating and debt services requirements for the next 12 months and (ii) to refinance the operating line.

NEW ACCOUNTING PRONOUNCEMENTS

IAS 1: Amendment to IAS 1, Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current

In January 2020, the IASB issued amendments to paragraphs 69-76 of IAS 1 to clarify the requirements for classifying liabilities as current or non-current. The amendments specify that the conditions which exist at the end of a reporting period are those which will be used to determine if a right to defer settlement of a liability exists. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective January 1, 2023, with early adoption permitted. The amendments are to be applied retrospectively. Management is currently assessing the impact of this amendment.

IAS 16: Amendments to IAS 16, Property, Plant and Equipment

On May 14, 2020, the IASB published an amendment to IAS 16 Property, Plant and Equipment. The amendment clarifies the accounting for the net proceeds from selling any items produced while bringing an item of property, plant and equipment into use. The provisions of this amendment will apply retrospectively to financial statements beginning on or after January 1, 2022. Early adoption is permitted. This standard did not have any impact on the Company's consolidated financial statements.

IAS 41: Amendments to IAS 41, Agriculture

In May 2020, the IASB published Annual Improvements to IFRS Standards 2018–2020 Cycle, containing the following amendments to IFRS. These amendments are effective for annual periods beginning on or after January 1, 2022. IAS 41 Agriculture–The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in IFRS 13. The Company has assessed the impact of this new standard and it did not have any significant impact on its consolidated financial statements.

IFRS 3: Amendment to IFRS 3, Business Combinations

On May 14, 2020, the IASB issued amendments to IFRS 3 Business Combinations that added an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination. The amendments are effective for annual periods beginning on or after January 1, 2022. The Company has assessed the impact of this standard and it did not have any impact on its consolidated financial statements.

IFRS 9: Financial Instruments

The IASB has issued an amendment to IFRS 9, Financial Instruments clarifying which fees to include in the test in assessing whether to derecognize a financial liability. Only those fees paid or received between the borrower and the lender, including fees paid or received by either the entity or the lender on the other's behalf are included. The amendment is effective for annual periods beginning on or after January 1, 2022. This standard is not expected to have a material impact on the consolidated financial statements.

IAS 8: Definition of Accountings Estimates

The IASB has issued an amendment to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors to introduce a new definition for accounting estimates, clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

The amendments are effective for annual periods beginning on or after January 1, 2023, with early adoption permitted. The extent of the impact of adoption of this standard has not yet been determined.

IAS 12: Income Taxes

The IASB has issued an amendment to IAS 12 – Income Taxes to narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

The amendments are effective for annual periods beginning on or after January 1, 2023, with early adoption permitted. The extent of the impact of adoption of this standard has not yet been determined.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure controls and procedures ("DC&P") are intended to provide reasonable assurance that material information is gathered and reported to senior management to permit timely decisions regarding public disclosure. Internal controls over financial reporting ("ICFR") are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Venture issuers are not required to provide representations in their annual and interim filings relating to the establishment and maintenance of DC&P and ICFR as defined in National Instrument 52-109 -Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"). In particular the Chief Executive Officer and Chief Financial Officer are not required to make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and (b) process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with IFRS.

OUTSTANDING SHARE DATA

As at the date of this MD&A, 45,355,734 total shares were outstanding.

APPROVAL

The Board of Directors of the Company approved the disclosure in this MD&A on April 29, 2022.

NON-IFRS MEASURES

EBITDA and Adjusted EBITDA

The Company utilizes EBITDA and adjusted EBITDA to measure its financial performance. EBITDA is (defined as earnings before interest, depreciation, amortization, net unrealized gains and losses on biological assets, income taxes and non-recurring expenses such as listing expenses and non-reoccurring legal fees) to measure its financial performance. EBITDA and Adjusted EBITDA are not recognized measures, however management believes that EBITDA and Adjusted EBITDA are useful supplemental measures to net earnings as these measures provide readers with an indication of earnings available for investment prior to debt service, capital expenditures, and income taxes, as well as provide an indication of recurring earnings compared to prior periods. The Company calculates EBITDA and adjusted EBITDA as follows:

	Three Months Ended		Year Ended	
($ thousands)	**Dec 31, 2021**	Dec 31, 2020	**Dec 31, 2021**	Dec 31, 2020
Net earnings (loss)	**$(2,656)**	$(1,013)	**$(3,415)**	$865
Additions (Deductions)				
Depreciation	**1,479**	833	**5,752**	3,664
Interest expense	**328**	202	**1,160**	898
Income tax expense (recovery)	**(255)**	(27)	**(810)**	839
EBITDA	**$(1,104)**	$(5)	**$2,687**	$6,266
Additions (Deductions)				
Impairment on bearer plants	**$7**	-	**$1,085**	$-
Land transfer tax on acquisition	**-**	-	**306**	-
Employee related bonus and termination payments	**-**	-	**269**	-
Non reoccurring legal fees	**3**	55	**85**	264
Net change in unrealized loss on biological assets	**667**	279	**-**	-
Adjusted EBITDA	**$(427)**	$329	**$4,432**	$6,530

Adjusted Earnings

The Company utilizes adjusted earnings (defined as net earnings before non-recurring expenses such as listing expenses and non-reoccurring legal fees) to measure its financial performance. Adjusted earnings are not recognized measures under IFRS; however, management believes that adjusted earnings is a useful supplemental measure to net earnings as these measures provide readers with an indication of recurring earnings compared to prior periods. The Company calculates adjusted earnings as follows:

	Three Months Ended		Year Ended	
($ thousands)	**Dec 31, 2021**	Dec 31, 2020	**Dec 31, 2021**	Dec 31, 2020
Net earnings (loss)	**$(2,656)**	$(1,013)	**$(3,415)**	$865
Additions (Deductions)				
Impairment on bearer plants	**7**	-	**1,085**	-
Land transfer tax on acquisition	**-**	-	**306**	-
Employee related bonus and termination payments	**-**	-	**269**	-
Non reoccurring legal fees	**3**	55	**85**	264
Net change in unrealized loss on biological assets	**667**	279	**-**	-
Adjusted net earnings (loss)	**$(1,979)**	$(679)	**$(1,670)**	$1,129