Management's Discussion and Analysis of

GREEN RISE FOODS INC.

For the three-months ended March 31, 2023

(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 March 31, 2023, and the results of operations for the period ended March 31, 2023.

The MD&A is prepared as of May 25, 2023, and should be read in conjunction with the unaudited interim condensed consolidated financial statements ("financial statements") of Green Rise as at March 31, 2023. 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;
- the impact on profitability resulting from higher input costs; and
- extended economic downturn caused by pandemics.

In addition to the factors set out above and those identified in this MD&A under "Risks and Uncertainties and on page 13", other factors not currently viewed as material could cause actual results to differ materially from those described in the forward-looking statements of this MD&A. 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 FOODS INC.

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. On June 15, 2018, Bull Market acquired its first farm with an existing 51-acre producing greenhouse ("GR1") of fresh produce located in Leamington, Ontario. GR1 has grown beefsteak tomatoes in the past and is currently growing medley and piccolo varieties. The Company also leases 15-acres of its GR1 greenhouse to one-customer, who is currently growing organic peppers. With the Transaction, the Company completed its first greenhouse range acquisition.

The Company has plans to increase its cultivation capacity and product diversification. It continues to execute on this plan and has completed, through Bull Market, the following acquisitions:

- On February 1, 2021, the Company acquired its second range, a 20.5-acre producing greenhouse ("GR2") located in Kingsville, Ontario. The GR2 farm currently is producing beefsteak tomatoes.
- On June 30, 2022, the Company acquired its third range, a 16-acre producing greenhouse ("GR3") located in Kingsville, Ontario. The GR3 farm is currently producing mini peppers.

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 listed on page 4 and 5 of this MD&A under the heading "Highlights for Q1 Fiscal 2023" and "Highlights Subsequent to Q1 Fiscal 2023".

On January 1, 2023, the Company completed a short form vertical amalgamation with its wholly owned subsidiary, Bull Market and Bull Market's wholly owned subsidiary 2801511 Ontario Inc. ("280"). Pursuant to the amalgamation, all the issued and outstanding shares of Bull Market and "280" were cancelled and the assets, obligations and liabilities of Bull Market and 280 were assumed by Green Rise. No securities of Green Rise were issued in connection with the amalgamation and the share capital of Green Rise remained unchanged. All three companies are Ontario corporations governed by the Business Corporations Act (Ontario) ("the Act") and the amalgamation was pursuant to Section 177 of the Act. Bull Market was the main operating entity of Green Rise. The amalgamation is expected to simplify the corporate structure and reduce administrative costs.

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 operations consist of the growing, packaging and sale of produce principally to one major customer.

Highlights for Q1 Fiscal 2023

- Tomato sales of $10 thousand at the Company's GR1 greenhouse were realized in the current period. The recognition of the sales in late March is a significant annual milestone for the Company as it represents the execution of a successful planting cycle. Furthermore, the crops at all three farms, as of the date of this report, were virus free and had an abundance of fruit. Warmer weather, strategic seed selections to maximize yields and minimize viruses, and continued best practices in planting and bearer plant maintenance procedures, were all factors that translated to significantly higher unrealized gains in biological assets of $2.5 million for the period ended March 31, 2023 ($1.1 million unrealized gains in biological assets for the period ended March 31, 2022).

- The Company, in the first quarter of 2023, generated the following:
  - A quarterly loss of $0.6 million as compared to a loss of $0.7 million for the same period in the prior year.
  - Adjusted EBITDA of negative $1.9 million as compared to negative $1.2 million in the prior year quarterly period.

  These noted metrics are consistent with the seasonality of the Company's crop cycle which produces minimal amounts of revenue in the first quarter of the year as the greenhouses are prepared for the upcoming grow season. $0.4 million of the increase in negative EBITDA was the result of operating an additional greenhouse range (GR3 range) in Q1 of F'23. The remaining increase in negative EBITDA primarily related to increased professional service fees incurred relating to audit and legal fees, the later attributable to the Company's pursuit of insurance recoveries.

- The pursuit by the Company of insurance recoveries, to the extent obtained, will mitigate the financial effects of the crop loss at the GR2 farm that occurred in 2021. To date, no insurance recoveries have been received or recorded in the Company's results, nor can such recoveries be assured.

- The Company reported a working capital deficit of $23.1 million which reflects the timing of the maturity of two mortgages secured against the GR1 greenhouse range (the "GR1 mortgages") (the results for the year ended December 31, 2022, reported a working capital deficit of $22.9 million). As at March 31, 2023, the GR1 mortgages have an aggregate balance of $17.4 million and both are set to expire in 2023 (December 31, 2022: $17.7 million). The GR1 mortgages have been classified as current on the Company's Statement of Financial Position as at March 31, 2023, and December 31, 2022. When factoring in these mortgages, the working capital deficit increased by $0.6 million. This increase is consistent with the seasonality of the Company's business and is an improvement from the change noted from December 31, 2021, to March 31, 2022, where the working capital deficit increased by $0.9 million.

	March 31, 2023	December 31, 2022	March 31, 2022	December 31, 2021
Working capital deficit	$23,114	$22,858	$7,191	$6,250
GR1 mortgages	(17,359)	(17,685)	(1,308)[1]	(1,297)[1]
Adjusted working capital deficit	$5,755	$5,173	$5,883	$4,953

1. Reflecting the GR1 mortgage amounts due for the relevant period.

Highlights Subsequent to Q1 Fiscal 2023

- On April 6, 2023, the Company received approval from Royal Bank of Canada to refinance $13,033 ($13,271 as at December 31, 2022) of the $17.4 million aggregate mortgage balance which is set to mature on June 30, 2023, pending approval of the terms and conditions pertaining to term and rate, expected to be finalized in the second quarter of 2023. The Company is also negotiating with RBC to increase available funds through the credit facility, reduce the fixed coverage ratio covenant and extend the amortization period of the mortgage to help minimize the impact of the recent spike in mortgage rates on debt servicing costs, however these terms have not yet been finalized to date. The remaining GR1 mortgage balance of $4,340 ($4,414 as at December 31, 2022) will mature on December 31, 2023. This mortgage is currently at a fixed rate of 1.95% and the Company is expected to begin refinancing negotiations in the third quarter of 2023. See also the discussion on page 13 of this MD&A.

- Fresh produce is being picked at the Company's GR1, GR2 and GR3 greenhouses and shipped to Green Rise's partners and customers. The Company's labor costs are as budgeted, and the Company consistently monitors inflationary pressures on input costs. The Company's management continuously tracks the health of its crops and its forecasted fresh produce yields against actuals. As of the date of this report the Company does not see any material deviations from its annual budgeted yields and Adjusted EBITDA.

- In April of 2023, the Company was approved to participate in the Farm Property Class Tax Rate Program ("the Farm Tax Program"), starting in 2023. The program allows the Company's farmland to be taxed no more than 25% of the municipality's residential property tax rate. It is administered by AgriCorp, an Ontario Government agency created in 1997. With our acceptance into the program, the Company expects to save $170 thousand annually.

SIGNIFICANT TRANSACTIONS (*IN THOUSANDS UNLESS OTERHWISE STATED*)

Acquisition of 16-acre greenhouse property:

On June 30, 2022, the Company, through its wholly owned subsidiary Bull Market Farms Inc. ("Bull Market"), purchased the assets used in a 16-acre greenhouse property ("the property") located in Kingsville, Ontario, ("GR3") for consideration of $15,051. The purchase price was funded via a first charge mortgage on the property with an aggregate principal amount of $15,350, with collateral in the amount of $20,000 secured against the property. The mortgage has an open variable interest rate at prime plus 1.0% per annum. As part of the funding requirements of the mortgage with RBC, the Company postponed payment of $483. Subject to RBC's approval, the postponed payment is expected to be paid by July 31, 2023.

The property was acquired from 2073834 Ontario Limited, an entity principally owned and controlled by Mr. Adam Suder, the Chief Growth Officer of the Company. The acquisition was considered a "related party transaction" under Multilateral Instrument 61-101 – Protection of Minority Holders in Special Transactions ("MI 61-101") and, as such, the acquisition was subject to the formal valuation and disinterested shareholder approval requirements of MI 61-101. The Company received formal shareholder approval at is annual general meeting held on June 29, 2022.

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 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 Consideration	***($000s)***
Cash consideration paid	14,517
Purchase price adjustment expected to be paid by July 31, 2023	51
Remaining consideration payable expected to be paid by July 31, 2023	483
Total Consideration	15,051
Net Identifiable Assets Acquired	
Receivables	42
Inventory	18
Bearer plants	1,316
Biological assets	743
Property, plant and equipment	13,423
Accounts payable	(491)
Total net assets acquired	15,051

The acquisition adds mini-pepper cultivation grow capacity, under annual fixed contract pricing. In addition to increasing price stability, the acquisition further diversifies the Company's product lines as it can now offer mini peppers in addition to medley, piccolo and beefsteak tomatoes. The increased production also allows the Company to increase its buying power and with that the ability to improve the Company's gross margins.

The Company recorded $3,663 of revenue and a $964 net loss in the consolidated statement of loss and comprehensive loss for the year ended December 31, 2022, as a result of the acquisition. If the acquisition occurred as of January 1, 2022, revenue for the year ended December 31, 2022, would have been $5,010 and earnings would have been $584.

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 March 31, 2023**	Three-months ended March 31, 2022
Revenues		
-Fresh produce revenues	**$10**	$87
-Rental and other revenues	**148**	148
Total revenues	**$158**	$235
Cost of Goods Sold		
-Production costs[1]	**$1,354**	$931
-Depreciation and amortization	**716**	660
-SG&A, excluding depreciation	**771**	485
-Net change in unrealized gain on biological asset	**(2,474)**	(1,079)
Loss from operations	**(209)**	$(762)
-Interest (expense)	**(686)**	(300)
-Other income -government assistance	**121**	10
-Deferred income tax recovery	**205**	344
Net loss	**(569)**	$(708)

1. *Production costs include raw materials, labor, repairs and maintenance expenses and other cost of sales.*

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Results for the three-month period ended March 31, 2023

Loss from Operations

Revenue

The Company generated fresh produce revenue of $10 thousand as compared to $87 thousand in the prior year period. The first quarter of operations typically has none or minimal sales as the crop season pick usually starts late March / early April.

Production costs and depreciation

Production costs increased by $0.4 million. $0.2 million of this increase was attributable to the costs of operating the mini-pepper greenhouse or GR3 in the current quarter period. The remaining increase was mainly attributable to higher utility costs, primarily from the higher costs of natural gas hedges put in place in the Company's GR2 facility as compared to the hedges effective in the prior year quarter.

Depreciation costs increased slightly mainly as a result of the additional depreciation on property, plant and equipment of the mini pepper greenhouse or GR3.

SG&A

SG&A, excluding depreciation, increased by $0.3 million as compared to the prior year period. This increase was attributable to the following three factors: (1) The additional SG&A costs associated with operating the additional mini-pepper or GR3 greenhouse; (2) higher audit costs incurred during the quarter as compared to the prior year period and 3) legal expenses incurred resulting from the Company's pursuit of seeking insurance recoveries on the crop loss it experienced at its GR2 greenhouse in 2021.

Net change in unrealized gains on biological asset

The net change in unrealized gain on biological assets increased by $1.4 million as compared to the prior year period. Warmer weather, strategic seed selections to increase yields and reduce viruses and the additional mini-pepper greenhouse or GR3 were all factors resulting in the increase in the unrealized gains on biological assets. This resulted in an abundance of fresh produce on the Company's bearer plant vines as at March 31, 2023. In the current quarter ended, there were 7 sets of tomatoes and 6 sets of mini peppers on the Company's bearer plants as compared to 6 sets and nil in the prior year period. In addition to the number of sets, there was also more tomatoes per set per plant in the current period ended as compared to the same period ended March 31, 2022.

Net Loss (Includes Loss from Operations, Interest expense, other income and deferred taxes)

Interest expense

Interest expense increased by $0.4 million as compared to the prior year period. The increase was mainly attributable to the following two factors: (1) A $0.2 million mark to market adjustment loss on the interest rate swap on the GR3 mortgage and (2) interest expense of $0.2 million on the GR3 mortgage put in place on June 30, 2022, with the closing of the GR3 greenhouse.

Other income -government assistance

Other income increased by $0.1 million. This primarily related to timing of the self-directed risk management program ("SDRM") administered by AgriCorp, an Ontario Government agency. This program allows growers such as Green Rise to deposit funds which are matched by the government to help mitigate risk associated with farm businesses. In the current fiscal year, the funds were deposited and matched in the current quarter. In the prior year period, the funds were deposited in March and matched in April 2022.

Deferred taxes

The deferred income tax recovery came in at $0.2 million as compared to $0.3 million in the prior year period. This decrease is the result of the decrease in the loss from operations noted in the current period quarter as compared to three-month period ended March 31, 2022.

SUMMARY OF QUARTERLY RESULTS

($ thousands)	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022[1]	December 31, 2021	September 30, 2021	June 30, 2021
Revenues	158	4,415	10,106	8,290	235	2,784	7,514	7,144
Earnings (loss) from operations	(209)	(3,215)	747	669	(762)	(2,583)	85	1,342
Net earnings (loss)	(569)	(1,434)	97	277	(708)	(2,656)	(93)	649
Basic and diluted EPS	(0.01)	(0.03)	0.00	0.01	(0.02)	(0.06)	0.00	0.01
Total assets	61,389	55,781	59,254	63,504	47,906	45,248	46,903	50,612
Total liabilities	58,463	52,326	54,405	59,188	43,717	40,382	39,468	43,144
Equity	2,926	3,455	4,849	4,497	4,189	4,866	7,436	7,468

1. Government assistance revenue previously reported under revenues has been reclassified to other income -government assistant to conform to the current period's presentation.

LIQUIDITY AND CAPITAL RESOURCES

Financial Condition Review

($ thousands)	**March 31, 2023**	December 31, 2022
Cash	-	-
Working Capital (Deficit)[1]	(23,114)	(22,858)
Total Assets	61,389	55,781
Total Liabilities	58,463	52,326
Net Equity	2,926	3,455

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

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. The Company is exposed to risks related to seasonality as there is limited revenue from January through to mid April. If the current resources and cash generated from operations is insufficient to satisfy its obligations, the Company can draw on its credit facility. The Company has also entered into agreements with certain large Vendors to extend credit terms to Q2 or Q3 of 2023, when the Company's greenhouses are at full production and cash flow generation is highest in the year.

As at the date of this MD&A, the Company had successfully planted its 2023 crops. The picking and packing of fresh produce has started and all three greenhouses and the Company's crops are healthy.

As at March 31, 2023 the Company's operating line was $6,600 of which $5,501 was drawn ($6,600 and a drawn balance of 438 as at December 31, 2022). The Company's availability to draw on its operating line, as at March 31, 2023 was $1,099 ($6,162 as at December 31, 2022).

The Company reported a working capital deficit of $23.1 million which reflects the timing of the maturity of two mortgages secured against the GR1 greenhouse range (the "GR1 mortgages") (December 31, 2022, had a working capital deficit of $22.9 million). As at March 31, 2023, the GR1 mortgages have an aggregate balance of $17.4 million and both are set to expire in 2023 (December 31, 2022: $17.7 million). The GR1 mortgages have been classified as current on the Company's Statement of Financial Position as at March 31, 2023, and December 31, 2022. When factoring in these mortgages, the working capital deficit increased by $0.6 million. This increase is consistent with the seasonality of the Company's business and is an improvement from the change noted from December 31, 2021, to March 31, 2022, where the working capital deficit increased by $0.9 million.

On April 6, 2023, the Company received approval from Royal Bank of Canada to refinance $13,033 ($13,271 as at December 31, 2022) of the $17.4 million aggregate mortgage balance which is set to mature on June 30, 2023, pending approval of the terms and conditions pertaining to term and rate, expected to be finalized in the second quarter of 2023. The Company is also negotiating with RBC to increase available funds through the credit facility, reduce the fixed coverage ratio covenant and extend the amortization period of the mortgage to help minimize the impact of the recent spike in mortgage rates on debt servicing costs, however these terms have not yet been finalized to date. The remaining GR1 mortgage balance of $4,340 ($4,414 as at December 31, 2022) will mature on December 31, 2023. This mortgage is currently at a fixed rate of 1.95% and the Company is expected to begin refinancing negotiations in the third quarter of 2023. See also the discussion on page 13 of this MD&A.

	March 31, 2023	December 31, 2022	March 31, 2022	December 31, 2021
Working capital deficit	$23,114	$22,858	$7,191	$6,250
GR1 mortgages	(17,359)	(17,685)	(1,308)[1]	(1,297)[1]
Adjusted working capital deficit	$5,755	$5,173	$5,883	$4,953

1. Reflecting GR1 mortgage amounts due for the relevant period.

Total Assets increased by $5.6 million as compared to December 31, 2022. The increase was mainly attributable to the additions to the 2023 bearer plants and fair value of the fruit sitting on the Company's bearer plants as at March 31, 2023. This is consistent with the seasonality of the Company's business. Offsetting this increase was the quarterly depreciation on the Company's property plant and equipment.

Total Liabilities increased by $6.1 million, compared to the amount reported as at December 31, 2022, primarily resulting from the increase in payables and amounts drawn on the Company's operating lines. These increases were needed to fund the Company's 2023 bearer plant and Q1 operations. This was offset however by the mortgage payments and a reduction in the Company's deferred income tax liability.

Equity decreased as a result of the net loss of $0.6 million recorded during the current year period. This was offset slightly by the stock-based compensation during the period which increased contributed surplus.

CAPITAL MANAGEMENT

The Company considers its capital to be equity, which comprises share capital, contributed surplus and deficit, which at March 31, 2023, totaled $2,926 (December 31, 2022: $3,455).

The Company's objectives when managing capital are to safeguard its assets and maintain a competitive cost structure, continue as a going concern and provide returns to its shareholders. In addition, the Company works with all relevant stakeholders to ensure the safety of its operations and employees and to remain in compliance with all environmental regulations.

The Company manages its capital structure and makes adjustments to it in light of changes in its economic environment and the risk characteristics of the Company's assets. To effectively manage the entity's capital requirements, the Company has in place a planning, budgeting and forecasting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives.

The Company's management holds strict financial metrics when evaluating returns on greenhouses and in deciding the composition (debt vs equity) in funding deals or addressing any shortfalls in capital. The Company continued to pay down its mortgage debt. Total payments in the first quarter totalled $648 ($498 in the first quarter of the prior year period) and utilizes its equity position in its real properties to refinance and fund deals. The Company also assesses government programs such as AgriStability, to help address any years where gross margins fall below the Company's 5-year historic gross margin average.

See also discussion on page 13 of this MD&A.

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's loans, with exception to its GR3 mortgage which has an open rate interest rate, have fixed rates of interest and are therefore subject to the risk of changes in fair value if the prevailing interest rate were to increase or decrease. To mitigate the interest rate risk on open variable loans, the Company uses derivative financial instruments (interest rate swaps) to exchange the variable rate inherent in the long-term debt for a fixed rate.

CONTRACTUAL OBLIGATIONS

As at March 31, 2023 the following obligations are due:

($000s)	Total	Less than 1 year	1 to 5 years	Over 5 years
Operating line	5,501	5,501		
Trade, tax and other payables	7,558	7,558		
Payable to 2073834 Ontario Ltd.	453	453		
Lease obligations	259	183	76	
Mortgage loans	44,101	18,657	18,690	6,754
Total	57,872	32,352	18,766	6,754

COMMITMENTS

As at March 31, 2023, the payments due by period are set out in the following table:

($000s)	Total	Less than 1 Year	1 – 5 Years	After 5 Years
Purchase commitments	1,658	1,322	336	-

Purchase commitments consist primarily of commitments to acquire gas through to November 1, 2025.

The Company has entered into an agreement with a customer for a 10-year period to supply all available produce at its GR1 greenhouse range. The Company has also assumed an agreement, as part of its newly acquired GR3 acquisition (see note 3 to the interim condensed consolidated financial statements for the period ended March 31, 2023). The initial agreement, dated January 1, 2021, was for a term of 2 years. The Agreement automatically renews each year unless otherwise terminated by either party not later than 90 days prior to the end of the applicable term.

Contingencies

The Company may be involved in legal proceedings from time to time arising in the ordinary course of business. Contingencies will be accrued when the outcome if probable, and the amount can be reasonably estimated.

Based on the Company's knowledge of events at March 31, 2023, no such matters requiring accrual were identified.

OFF BALANCE SHEET ARRANGEMENTS

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

TRANSACTIONS BETWEEN RELATED PARTIES AND KEY MANAGEMENT COMPENSATION (IN THOUSANDS UNLESS OTHERWISE STATED)

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 quarter ended March 31, 2023, the Company paid $155 in management salaries ($121 for the quarter ended March 31, 2022) and had $24 in stock-based compensation ($22 for the quarter ended March 31, 2022). The Company also incurred $2 in professional fees to one of its Directors. The transaction was at fair value and related to legal services. As at March 31, 2023 the Company also held a non-interest bearing note receivable for $82 from one of its officers and a non-interest note payable of $9 to one of its officers. Both notes are expected to be settled in the next 12 months ($91 as at December 31, 2022).

On June 30, 2022, the Company, as described in note 3 to the interim condensed consolidated financial statements of the Company for the period as at March 31, 2023, acquired its third greenhouse range from 2073834 Ontario Ltd., ("207") a company principally controlled by Adam Suder the Company's Chief Growth Officer. Total consideration for this acquisition was $15,051. Of this amount $14,634 has been paid in cash and $417 is expected to be paid by July 31, 2023. In addition, a total of $35 in finance related costs are also expected to be paid to 207 by July 31, 2023. The amounts due to 207 have been included as a note payable in current liabilities in the interim condensed consolidated statement of financial position.

RISKS AND UNCERTAINTIES

There are a number of risk factors that could cause future results to differ materially from those described herein. These risks have been identified in the March 31, 2023, interim consolidated financial statements and on page 2, 3 and 13 of this MD&A. 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.

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 a future epidemic, pandemic or contagious disease occurs, it may significantly impact the results and operations of the Company and will depend on further developments, which are highly uncertain and cannot be predicted.

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 assets

  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 2022 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 plants

  The classification of bearer assets is a significant judgment. Expenditures for bearer plants are recorded in investing activities on the statement of cash flows. Bearer plants 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 incurred a net loss of $569 during the quarter ended March 31, 2023 (net loss of $708 for the same quarter in 2022) and a working capital deficit of $23,114 ($22,858 on December 31, 2022). The increase in working capital deficit for the period ended March 31, 2023, is consistent with the seasonality of the Company's business. Management is of the opinion that the short-term debt financing the Company has in place might be insufficient if the Company does not achieve its targeted produce yields and revenues for its 2023 crops. The Company may require additional funds to meet the Company's liabilities and commitments as they become due over the next 12-months. There is a risk that financing may not be available on a timely basis or on terms acceptable to the Company and access to funding from government programs such as AgriStability may not be available within this 12-month time frame.

  To continue as a going concern, the Company will need to finalize the renewal of two mortgages ("the GR1 mortgages") it holds with the Royal Bank of Canada ("RBC"). In total, $17,359 of the working capital deficit as of March 31, 2023 ($17,685 as at December 31, 2022) related to the GR1 mortgages. On April 6, 2023, the Company received approval from RBC to refinance $13,033 ($13,271 as at December 31, 2022) of this balance which is set to mature on June 30, 2023, pending approval of the terms and conditions pertaining to term and rate, expected to be finalized in the second quarter of 2023. The Company is also negotiating with RBC to increase available funds through the credit facility, reduce the fixed coverage ratio covenant and extend the amortization period of the mortgage to help minimize the impact of the recent spike in mortgage rates on debt servicing costs, however these terms have not yet been finalized to date. The remaining GR1 mortgage balance of $4,340 ($4,414 as at December 31, 2022) will mature on December 31, 2023. This mortgage is currently at a fixed rate of 1.95% and the Company is expected to begin refinancing negotiations in the third quarter of 2023. The remaining working capital deficit was $5,756 ($5,173 as at December 31, 2022). In order to manage the remaining working capital deficit, the Company's management continuously monitors the health of its crops and its forecasted fresh produce yields against actuals. To further mitigate downside risk on these yields, the Company has selected seeds and planted crops in 2023 that are more resistant to rugose virus and set floor pricing on its crops that are based on market pricing. In addition, the Company's management will be applying for the government funded AgriStability program and will be submitting the 2022 application on or around June 30, 2023. However, despite past successes in refinancing mortgages, creating more predictability in revenue streams and the successful applications on Government funded programs, there can be no assurance that these initiatives will be successful in the future. Accordingly, these material uncertainties may cast significant doubt as to the ability of the Company to meet its business plan and obligations as they come due and accordingly the appropriateness of the use of accounting principles applicable to a going concern.

NEW ACCOUNTING PRONOUNCEMENTS

The Company has adopted the following revised IFRS amendments, effective January 1, 2023. These changes were made in accordance with the applicable transitional provisions and had no impact on the financial statements of the Company.

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. The application of the amendment did not have an impact on the Company.

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 application of the amendment did not have an impact on the Company.

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, 46,389,066 total shares and 1,533,336 stock options were outstanding.

APPROVAL

The Board of Directors of the Company approved the disclosure in this MD&A on May 25, 2023.

NON-IFRS MEASURES

The Company has presented certain non-IFRS financial measures and non-IFRS ratios in this document. The Company believes these measures and ratios, while not a substitute for measures of performance prepared in accordance with IFRS, provide investors an improved ability to evaluate the underlying performance of the Company. These measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers.

EBITDA and Adjusted EBITDA

The Company utilizes EBITDA and adjusted EBITDA to measure its financial performance. Earnings before interest, taxes, depreciation, and amortization (EBITDA) and Adjusted EBITDA are a non-IFRS financial measure and non-IFRS ratios, respectively, and are common financial performance measures in the agricultural industry; however, they have no standard meaning under IFRS. EBITDA represents earnings before interest, income taxes, depreciation, and amortization. EBITDA is then adjusted to include or exclude specific items that are relevant or irrelevant to the Company's annual cash flow generation such as: (1) bearer plant amortization and CAPEX; (2) non-cash items such as unrealized mark to market adjustments on the interest rate swap, stock-based compensation and the net change in unrealized (gain) loss on biological assets and (3) non-reoccurring items such as the impairment of bearer plants and purchase price adjustments on acquisitions allocated to short term assets and not property, plant and equipment. The objective of Adjusted EBITDA is to present the annual cash flows generated by the Company before interest and principal repayments on its debt obligations.

	Three-months ended	
($ thousands)	**March 31, 2023**	March 31, 2022
Net loss	**$(569)**	$(708)
Additions (Deductions)		
Depreciation	**716**	660
Interest expense	**686**	300
Deferred income tax recovery	**(205)**	(344)
EBITDA	**$628**	$(92)
Additions (Deductions)		
Bearer plant amortization	**$(2)**	$(19)
CAPEX in the period	**(46)**	(26)
Stock based compensation	**40**	31
Net change in unrealized gain on biological assets	**(2,474)**	(1,079)
Adjusted EBITDA	**$(1,854)**	$(1,185)

Adjusted Loss

The Company utilizes adjusted earnings (defined as net earnings adjusted for (1) non-recurring expenses such as impairment on bearer plants and purchase price adjustments allocated to assets other than property, plant and equipment and (2) unrealized (gains) and losses in biological assets and mark to market adjustments in the interest rate swap. 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	
($ thousands)	**March 31, 2023**	March 31, 2022
Net loss	**$(569)**	$(708)
Additions (Deductions)		
Mark to market adjustment on interest rate swap	**149**	-
Net change in unrealized gain on biological assets	**(2,474)**	(1,079)
Adjusted Net loss	**$(2,894)**	$(1,787)

Selected Adjusted Production Cost Ratios to Produce Sales:

The Company utilizes labor and adjusted production costs as a percentage of produce sales to measure its financial performance. Adjusted production costs are not recognized measures under IFRS; however, management believes that adjusted production costs as a ratio to produce sales is a useful supplemental measure to provide readers with an indication of margins as compared to reoccurring costs in prior periods. These ratios are not shown in Q1 given the seasonality of the business as minimal revenues occur in Q1. The ratios will be illustrated in the Q2, Q3 and Q4 MD&As.