GREENSPACE BRANDS INC.

Management's Discussion and Analysis

For the three and six month periods ended September 30, 2016 and 2015

GreenSpace Brands Inc.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
of Financial Condition and Results of Operations
For the three and six month periods ended September 30, 2016 and 2015

This Management's Discussion and Analysis ("MD&A") is a review of the consolidated financial condition and results of operations of GreenSpace Brands Inc. ("GreenSpace" or the "Company") as at and for the three and six month periods ended September 30, 2016 and 2015. The MD&A is intended to help readers understand the Company's business and the key factors underlying its financial results. It should be read in conjunction with the Company's condensed interim consolidated financial statements for the period ended September 30, 2016 along with the Company's annual consolidated financial statements and accompanying notes for the year ended March 31, 2016, which have been filed with applicable regulatory authorities and are available through SEDAR at www.sedar.com.

Additional information is also available on the Company's website at www.greenspacebrands.ca

The financial information contained herein has been prepared in accordance with International Financial Reporting Standards ("IFRS") and is reported in Canadian dollars; however, reference is made to adjusted gross profit, earnings before interest expense, income taxes, depreciation and amortization ("EBITDA") and adjusted EBITDA as defined in the "Non-IFRS Measures" section. Adjusted gross profit, EBITDA and adjusted EBITDA are not measures of financial performance recognized under IFRS. The Company has included these measures as they are used by management to evaluate financial performance and management believes they will be used by certain investors and analysts in assessing the Company's financial performance. These measures are not necessarily comparable to similarly titled measures used by other companies and should not be construed as an alternative to net income or cash flow from operating activities as determined in accordance with IFRS. See the section within the MD&A entitled "Non-IFRS Measures" for further information.

This MD&A has been prepared as of November 9, 2016.

CORPORATE OVERVIEW

Life Choices Natural Food Corp. was originally incorporated under the *Business Corporations Act* (Ontario) on May 31, 1999. Aumento Capital IV Corporation (now GreenSpace or the Company) was incorporated under the OBCA on June 11, 2013 and was classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange ("TSX-V").

On April 30, 2015, Life Choices Natural Foods Corp. ("Life Choices"), Aumento Capital IV Corporation ("Aumento") and Aumento Subco (a wholly-owned subsidiary of Aumento) completed a three-cornered amalgamation whereby Life Choices and Aumento Subco amalgamated to form a new entity named "Life Choices Natural Food Corp." and shareholders of Life Choices received common shares in the capital of the Company ("Shares"). Prior to the amalgamation, Aumento changed its name to "GreenSpace Brands Inc.". This transaction constituted the Company's qualifying transaction (the "Qualifying Transaction") under the policies of the TSX-V and the Shares of GreenSpace are now listed on the Toronto Venture Exchange ("TSX.V") under the symbol JTR ("Join The Revolution"). All proceeds raised as part of the Qualifying Transaction and concurrent private placement have been used in manner consistent with those detailed in the filing statements for the Qualifying Transaction.

The Qualifying Transaction was recorded as a reverse takeover for accounting purposes in accordance with EIC-10 "Reverse Takeover Accounting" of the CICA Handbook. The consolidated financial statements are accordingly a continuation of the financial statements of Life Choices while the capital structure is that of the Company. Life Choices is deemed to be the acquirer for accounting purposes. Since the Company did not constitute a business in accordance with EIC-124 "Definition of a Business" of the CICA Handbook, the transaction was accounted for as a capital transaction, that is, a financing and recapitalization of the Company. The results of operations and cash flows for periods prior to April 30, 2015 presented in the consolidated financial statements are those of Life Choices.

GreenSpace is in the wonderful business of developing, marketing and selling premium, convenient, natural foods to Canadians. We featuring grass fed and/or pasture raised meat and dairy, raised without the use of added hormones and antibiotics, as well as additional product offerings in the natural and whole foods markets under our affiliated brands. GreenSpace sources our natural ingredients largely from local, ethically operated farms and combine these ingredients into tasty and nutritious products.

GreenSpace has developed and brought to market several brands in the natural food space, namely, Life Choices Natural Foods (launched in 2002), Rolling Meadow (launched in August 2014), Holistic Choice (launched in August 2014), Kiwi Pure (launched in April 2015) and Nudge (launched in July 2015).

- All Life Choices beef and pork products feature one common trait: they all contain meat from grass fed and/or pasture raised animals that have not been subject to feedlot conditions. The result is meat that features higher levels of Omega 3 fatty acids and Conjugated Linoleic Acids ("CLAs"). All of Life Choices' chickens are raised in low density barns with a premium on the ethical treatment of the birds at all times.
- The Rolling Meadow brand offers premium quality, 100% grass fed dairy, such as milk, yogurt, butter and kefir.
- The Holistic Choice brand offers premium quality pet foods for cats and dogs. Holistic Choice pet foods are made with a high percentage of fresh meat in Safe Quality Food ("SQF") Certified plants. None of the meats have been rendered and all are free of any added antibiotics and hormones, acting as an excellent source of protein to help promote bone health, and overall happy, healthy pets.
- Kiwi Pure is a grass-fed butter imported from New Zealand. Kiwi Pure butter contains 100% grass fed milk, provides improved omega ratios and contains no antibiotics or added hormones.
- Nudge offers snacking and convenience products and currently includes a line of organic macaroni and cheese products. Nudge Mac & Cheese is the first product of its kind in Canada to feature grass fed cheese. The Mac & Cheese product is the first of a number of snacking and convenience products expected to be brought to market under the Nudge label.

On October 19, 2015, the Company completed the acquisition of Love Child (Brands) Inc. ("Love Child"). Love Child is a Canadian-based producer of 100% organic food for infants and toddlers. Love Child's mission is to bring to market only the purest, most natural and nutritionally-rich food, without the addition of any synthetic preservatives, refined sugars or other additives. Love Child's products include organic purees in BPA-free squeezable pouches and an extensive infant and toddler organic snack range –naturally as parents we love the brand and their products.

On February 25, 2016, the Company completed the 70% share acquisition of Central Roast Inc. ("Central Roast"). Central Roast is a leading all-natural, functional snack company that manufactures, markets, and distributes healthy snacks to major consumer retail customers in Canada. The acquisition is expected to strengthen the Company's brand penetration within the natural snacking marketplace and strengthen our existing relationships with key Canadian retail and distribution partners. On October 7, 2016, as part of finalizing the terms on a new three year, $7.5 million revolving senior secured asset based lending facility ("ABL Facility") the Company acquired the remaining 30% of the issued and outstanding shares of Central Roast.

GreenSpace aims to continue to grow through a two-pronged growth strategy. First, through continued investments in new brands and product development to broaden the product offerings within its established brands. Second, through acquisition, by making strategic investments in strong, simple ingredient businesses in the natural and organic food space. By integrating various brands, the Company has proven that it is able to achieve economies of scale and enhanced market penetration.

The Company as it grows continues to focus on profitability, cash flow management and bringing new innovative products to the marketplace with healthy attributes.

OPERATING STRATEGY

GreenSpace's operating strategy is designed to create value for customers and shareholders through innovative product development, market expansion and diversification.

Priorities are to:

i) develop new value-added products for consumers;
ii) cross-sell acquired and developed brands through strong distribution and retail channels;
iii) make selective acquisitions on an opportunistic basis to diversify product offerings and advance our standing in the natural and organic food marketplace; and
iv) maintain high internal operating efficiencies by maintaining a customer-focused, collaborative culture.

SECOND QUARTER AND YEAR TO DATE CONSOLIDATED RESULTS

The following is a table and description of the second quarter and year to date consolidated operating results for the Company.

Consolidated Interim Statements of Operations and Comprehensive Loss

(expressed in thousands of Canadian dollars)	**For the 3-month period ended September 30,**				**For the 6-month period ended September 30,**			
	2016	**2015**	**Inc/(Dec)**	**Inc/(Dec)**	**2016**	**2015**	**Inc/(Dec)**	**Inc/(Dec)**
	$	$	**$**	%	$	$	$	%
Gross revenue	**9,829**	1,910	7,919	414.6	**19,041**	3,504	15,537	443.4
Less: rebates and discounts	**(980)**	(177)	803	453.7	**(1,654)**	(325)	1,329	408.9
Less: listing fees	**(254)**	(26)	228	876.9	**(382)**	(59)	323	547.5
Net revenue	**8,595**	1,707	6,888	403.5	**17,005**	3,120	13,885	445.0
Cost of goods sold	**6,650**	1,420	5,230	368.3	**12,946**	2,661	10,285	386.5
Gross profit	**1,945**	287	1,658	577.7	**4,059**	459	3,600	784.3
Gross profit percentage	**22.6%**	16.8%			**23.9%**	14.7%		
Adjusted gross profit[1]	**2,199**	313	1,886	602.6	**4,441**	518	3,923	757.3
Adjusted gross profit percentage	**24.9%**	18.1%			**25.5%**	16.3%		
General and administrative	**510**	116	394	339.7	**978**	239	739	309.2
Storage and Delivery	**403**	118	285	241.5	**751**	195	556	285.1
Salaries and benefits	**665**	362	303	83.7	**1,521**	685	836	122.0
Advertising and promotion	**265**	226	65	32.5	**505**	288	217	75.3
Professional fees	**128**	151	(23)	(15.2)	**209**	272	(63)	(23.2)
Stock-based compensation	**52**	77	(25)	(32.5)	**115**	116	(1)	(0.9)
Amortization of intangible assets	**260**	-	260	100.0	**520**	-	520	100.0
Reverse take-over listing fee	**-**	-	-	-	**-**	991	(991)	(100.0)
Net income (loss) before interest expense, accretion expense, and income taxes.	**(338)**	(737)	(399)	(54.1)	**(540)**	(2,327)	(1,787)	(76.8)
Interest expense	**121**	7	114	1628.6	**282**	19	263	1384.2
Net loss before accretion expense and income taxes	**(459)**	(744)	(285)	(38.3)	**(822)**	(2,346)	(1,524)	(65.0)
Accretion expense	**606**	-	606	100.0	**913**	-	913	100.0
Deferred income taxes (recovery)	**(69)**	-	(69)	(100.0)	**(138)**	-	(138)	(100.0)
Net loss and comprehensive loss	**(996)**	(744)	252	33.9	**(1,597)**	(2,346)	(749)	(31.9)
EBITDA[1]	**(38)**	(737)	(699)	(94.8)	**62**	(2,327)	(2,389)	(102.7)
As a percentage of net revenue	**(0.4%)**	(43.2%)			**0.4%**	(74.6%)		
Adjusted EBITDA[1]	**352**	(600)	(952)	(158.7)	**649**	(1,081)	(1,730)	(160.0)
As a percentage of net revenue, excluding listing fees	**4.0%**	(34.6%)			**3.7%**	(34.0%)		

[1] See Non-IFRS Measures

Revenue

Gross revenue for the quarter-ended September 30, 2016 increased 414.6% and net revenue, which is gross revenue excluding deductions for rebates, discounts and one-time listing fees, increased 403.5% over the same period in prior year. Gross revenue for the six month period ended September 30, 2016 increased 443.4% and net revenue increased 445.0% over the same period a year earlier.

Consistent with previous quarters, the gross and net revenue increases were primarily the result contributions from both the Love Child and Central Roast acquisitions along with 37.5% year-over-year gross revenue increases in the quarter and a 43.9% gross revenue increase year to date experienced by the legacy GreenSpace brands.

Consistent with what has been seen in previous quarters, the Company continued to experience consistent quarter over quarter revenue growth, which continues to support that the Company's brands are resonating with consumers and building strong consumer loyalty. As publicly announced, the Company was successful in the current quarter and year in adding a number of new product offerings and new significant national distribution wins including the national distribution of an expanded Love Child product offering, the Central Roast Foodfix line and Central Roast branded bulk within all Loblaw stores across Canada.

A few of the anticipated revenue increases expected from the launches and distribution wins announced in the first quarter, were delayed as a number of the major national retailers were slower than expected getting the newly listed products onto their shelves and consequently, there was some delay in the support provided to these new products through in-store promotion. Management continues to expect that all of the previously announced distribution wins will build momentum over the up-coming quarters and consequently the Company expects to experience continued quarter-over-quarter revenue growth for the foreseeable future.

Gross Profit and Adjusted Gross Profit (see Non-IFRS Measures)

Consistent with the Company's prior quarter, gross profit margins in the three and six month periods ended September 30, 2016 improved considerably compared to the same periods in prior year. The improvements were primarily due to a larger proportion of revenue being contributed from the acquisitions of Central Roast and Love Child, along with more accurate customer demand forecasting which has continued to help reduce the volume of inventory write-offs.

Consistent with prior periods, the listing fees incurred in the current quarter and year to date (considered one-time, non-recurring costs to get new products on the shelf) have been added back to gross profit by the Company in calculating adjusted gross profit. Please see the non-IFRS measures section of the MD&A below for details on these adjustments.

As noted in previous quarters, the Company has continued to achieve the consistent monthly revenue scale, with its diversified product portfolio, such that its consolidated margins have normalized. It is expected that the Company's consolidated gross margin levels will remain at or around these rates for future quarters.

Selling, General and Administrative ("SG&A") Expenses

For the three months ended September 30, 2016 general and administrative expenses decreased from 6.8% of net revenue in the second quarter of fiscal 2016 to 5.9% of net revenue in the current quarter. For the first half of the year, general and administrative expenses decreased from 7.7% of net revenue through the first six months of fiscal 2016 to 5.8% in the current year. Both the quarterly and year-to-date decreases were expected as a result of leveraging higher sales volumes over fixed general and administrative expenses. In the current quarter, even with general and administrative expenses decreasing as a percentage of net revenue, the Company did incur TSX filing fees of $44,769 associated with the equity raise completed on September 2nd, 2016. These costs are not expected to reoccur in future periods and consequently have been normalized out of the quarterly adjusted EBITDA calculation. Year-to-date, in addition to the one-time costs experienced in the quarter, the Company incurred additional expenses as a result of a $39,226 donation contributed to the relief efforts in Fort McMurray. It is expected that general and administrative expenses should continue to normalize at a percentage of net revenue below what has been experienced in the current quarter and year-to-date.

For the three months ended September 30, 2016 storage and delivery expenses decreased from 6.9% of net revenue in the second quarter of fiscal 2016 to 4.7% of net revenue in the current quarter. For the first half of the year, storage and delivery expenses decreased from 6.3% of net revenue through the first six months of fiscal 2016 to 4.4% in the current year. The continued improvement of storage and delivery expenses as a percentage of net revenue is not unexpected with a larger proportion of revenue coming from Central Roast, which manages its own production and warehousing facilities at much lower costs and these costs have also been reduced after the Company completed a strategic review and replacement of a number of its cross-country freight service providers. The changes implemented as a result of this review are expected to keep storage and delivery expenses as a percentage of net revenue at a consistent rate in future quarters.

For the three months ended September 30, 2016 salary and benefits expenses decreased from 21.2% of net revenue in the second quarter of fiscal 2016 to 7.7% of net revenue in the current quarter. For the first half of the year, salary and benefits expenses decreased from 21.9% of net revenue through the first six months of fiscal 2016 to 8.9% in the current year. Consistent with prior periods, this decrease was expected as the acquisitions of Central Roast and Love Child have provided the Company with the necessary revenue scale to support its fixed organizational overhead costs. As discussed in previous quarters, the organizational structure has always been built to facilitate adding new brands through acquisition without incremental headcount additions.

Advertising and promotional expenses were 3.1% of net revenue for the quarter ended September 30, 2016, which was a decrease from 11.7% of net revenue in the second quarter of last year. For the first half of the year, advertising and promotional expenses decreased from 9.2% of net revenue through the first six months of fiscal 2016 to 3.0% in the current year. The year-over-year improvement reflects the Company's efforts to consolidate marketing and promotional campaigns across its expanding product portfolio and gain economies of scale by sharing the fixed costs of marketing campaigns across various brands.

Professional fees in the current quarter were 1.8% of net revenue compared to 8.8% over the same period in prior year. Year-to-date professional fees decreased to 1.4% of net revenue from 8.7% over the same period in prior year. The professional fees in the current quarter and year-to-date have primarily been incurred to complete an equity offering at the beginning of September 2016 along with legal expenses associated with the Company entering into a new long-term, ABL Facility subsequent to quarter-end. Professional fees incurred in prior year were all associated with the Company's Qualifying Transaction. A majority of these fees are non-recurring and would not be considered part of normal on-going operations. As a result, these non-recurring professional fees have been normalized and removed in calculating adjusted EBITDA. Please see the non-IFRS measures section of the MD&A below for details on these adjustments.

Through fiscal 2016, the Company's Board of Directors granted a number of stock option grants. The first grant was completed on May 15, 2015. As the grants are being amortized using a graded vesting method it is not unexpected that the stock based expense is reducing year-over-year.

The Company finalized its assessment of the purchase price allocations for both the Love Child and Central Roast acquisitions during the quarter ended September 30, 2016. The allocation of the consideration paid remains consistent with the initial valuation. Intangible assets of customer relations, brand name, non-compete, product recipes and goodwill have been separately accounted for.

The reverse take-over listing fee expensed in the first quarter of fiscal 2016 was entirely related to the Company's Qualifying Transaction and this listing fee represented the difference between the accounting fair value of consideration paid and the Aumento net assets assumed. This was a non-cash expense that would not be considered part of normal operations and consequently this expense did not reoccur in the current year. This expense has been normalized in calculating adjusted EBITDA. Please see the non-IFRS measures section of the MD&A below.

Management continues to be encouraged by the fact that its acquisition synergies and cost savings initiatives to date, after completing the acquisitions of Love Child and Central Roast have been consistent, on an annualized basis, with those disclosed in the Use of Proceeds section (page 27) of the Company's final short form prospectus, dated February 22, 2016. To date, no new information has come forward, that would significantly change any of those earlier estimates disclosed.

Interest and Accretion Expense

The Company incurred higher interest and accretion charges in the three and six month periods ended September 30, 2016 compared to a similar periods in prior year due to the Company carrying higher debt levels to support its working capital expansion and due to the Company discounting a number of related party loans associated with the Love Child and Central Roast acquisitions. As all of these related party loans were repaid after the equity raise completed on September 2nd and the closing of the new ABLFacility, the Company needed to accelerate the accretion expense recognized on the current quarter on these discounted liabilities. The accretion expense recognized in the current quarter and year is a completely non-cash expense and after repaying the discounted related party liabilities the Company is expecting much lower accretion expense for the remainder of the current fiscal year.

Adjusted EBITDA (see Non-IFRS Measures)

For the three months ended September 30, 2016 the Company reported adjusted EBITDA of $0.4 million (4.0% of net revenue, excluding listing fees) which compares to an adjusted EBITDA loss of $0.6 million ((34.6%) of net revenue, excluding listing fees) over the same period in prior year. For the six months ended September 30, 2016 the Company reported adjusted EBITDA of $0.6 million (3.7% of net revenue, excluding listing fees) which compares to an adjusted EBITDA loss of $1.1 million ((34.0%) of net revenue, excluding listing fees) over the same period in prior year. The adjusted EBITDA improvement is primarily the result of the Company obtaining the revenue scale to be operationally profitable and implementing a number of cost cutting initiatives to quickly realize the benefits of a number of the acquisition synergies.

SELECTED QUARTERLY INFORMATION

(expressed in Canadian dollars)

Unaudited quarterly financial data for the first and second quarter of fiscal 2017, fiscal 2016 and the last two quarters of fiscal 2015 are summarized as follows. The sum of the net income per share from continuing operations for each of the four quarters may not equal the net income per share for the full year, as presented, due to rounding.

(Expressed in thousands of Canadian Dollars, except per share amounts)

Three months ended	**30-Sep-16**	**30-Jun-16**	**31-Mar-16**	**31-Dec-15**	**30-Sep-15**	**30-Jun-15**	**31-Mar-15**	**31-Dec-14**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Gross revenue	9,829	9,213	5,786	3,382	1,910	1,594	1,509	845
Less: rebates and discounts	(980)	(674)	(457)	(388)	(177)	(148)	(76)	(18)
Less: listing fees	(254)	(128)	(979)	(7)	(26)	(33)	(13)	(15)
Net revenue	8,595	8,411	4,350	2,987	1,707	1,413	1,420	812
Gross profit	1,945	2,104	383	638	288	172	270	6
Gross profit %	22.6%	25.0%	8.8%	21.4%	16.9%	12.1%	19.0%	0.7%
Adjusted gross profit[1]	**2,199**	**2,232**	**1,362**	**645**	**314**	**205**	**283**	**21**
Adjusted gross profit %	**24.9%**	**26.1%**	**25.6%**	**21.5%**	**18.1%**	**14.2%**	**19.8%**	**2.5%**
Net loss	(996)	(610)	(1,926)	(1,083)	(744)	(1,601)	(798)	(468)
Net loss per share from continuing operations – basic and diluted	(0.03)	(0.01)	(0.07)	(0.05)	(0.04)	(0.11)	(0.24)	(0.16)
EBITDA[1]	(38)	101	(1,680)	(1,003)	(737)	(1,589)	(737)	(445)
EBITDA % of net revenue	(0.4%)	1.2%	(38.6%)	(33.6%)	(43.2%)	(112.5%)	(51.9%)	(54.8%)
Adjusted EBITDA[1]	**352**	**298**	**18**	**(674)**	**(600)**	**(480)**	**(528**	**(430)**
Adjusted EBITDA, as a percentage of net revenue excluding listing fees	**4.0%**	**3.5%**	**0.4%**	**(22.5%)**	**(34.2%)**	**(33.2%)**	**(36.8%)**	**(52.0%)**

[1]See Non-IFRS Measures

Certain of the Company`s product lines have seasonal fluctuations. For example, sales of the Life Choices BBQ product lines are stronger during the warmer summer months while sales of the Life Choices breaded food lines tend to be stronger during the colder fall/winter months. Sales of Holistic Choice pet food, Rolling Meadow dairy, Love Child and Central Roast are consistent year round and have not shown any significant seasonal fluctuations.

Historically, net sales in the fourth quarter are highest and sales in the first quarter are lowest. Similar to sales, earnings have traditionally been lowest in the first quarter, relatively consistent in the second and third fiscal quarters and highest in the fourth quarter. Thus, the results of operations and cash-flows for any particular quarter are not indicative of the results expected for the full fiscal year.

CASH FLOWS

Summary Statement of Cash Flows

(thousands of Canadian dollars)

	For the six month period ended September 30,	
	2016	**2015**
Cash provided by (used for)	**$**	$
Operating activities	**(1,367)**	(2,702)
Investing activities	**(94)**	-
Financing activities	**1,461**	4,068
Net increase (decrease) in cash	**-**	1,366
Cash - beginning of period	**-**	-
Cash – end of period	**-**	1,366

Cash flow from continuing operations consumed $1.4 million for the six month period ended September 30, 2016 (2015 - $2.7 million). The negative operating cash-flow for fiscal 2017 was primarily the result of the Company continuing to invest in working capital, specifically inventory and accounts receivable, during this period of growth. Cash was utilized in investing activities to acquire office furniture and equipment over the six month period ended September 30, 2016 (2015 – nil). The Company financed its working capital requirements by completing an equity financing at the beginning of September 2016 and obtaining additional debt financing. During the six month period ended September 30, 2016, the Company repaid various related party loans and VTBs from the acquisitions of Love Child and Central Roast.

LIQUIDITY AND CAPITAL RESOURCES

The Company was successful during the current quarter in consolidating its outstanding debt facilities.

During the year ended March 31, 2015, Life Choices entered into two term credit facilities with the Business Development Bank of Canada (“BDC”). The first was a five year term credit facility for $100,000 bearing interest at 8.25% per annum. The second, was a four year term loan arrangement for $50,000 bearing interest at 6.0% per annum. These two term loan facilities had collateral security but contained no other financial covenants.

On March 2, 2015, Life Choices issued a promissory note to a current shareholder for proceeds of $500,000. The promissory note bore interest at 12.0% per annum and matured the earlier of May 30, 2015 or 5 business days subsequent to the completion of the Qualifying Transaction and concurrent private placement.

On April 30, 2015, proceeds from Life Choices` private placement, which net totalled $4.8 million, completed in the conjunction with the Qualifying Transaction, were used to repay the full $500,000 shareholder promissory note plus accrued interest as well as the second BDC term credit facility.

On October 14, 2015, the Company’s overdraft facility was amended to allow the Company to borrow up to the lower of: i) $750,000 or ii) 75% of accounts receivable aged less than 90 days plus 15% of inventory up to $150,000. The Bank extended the overdraft facility to allow the Company to borrow up to $0.95 million after June 30, 2016.

On October 19, 2015, the Company completed the first tranche of a private placement whose net proceeds ($1.0 million) were used entirely to complete the acquisition of Love Child. On November 19, 2015, the second tranche of that private placement was closed, contributing net proceeds of $0.9 million to the business. All of these net proceeds were used to repay the Love Child acquired operating line of credit.

On December 18, 2015, the Company issued a promissory note to a shareholder for proceeds of $0.4 million. The promissory note bears interest at 10.0% per annum, had a 1% placement fee and initially matured the earlier of June 30, 2016 or 10 business days subsequent to the completion of any equity financing. On February 25, 2016, the repayment term on the promissory note was extended by the current shareholder to April 1, 2017. On June 29, 2016, the Company issued a promissory note to the same shareholder for proceeds of $0.2 million. The promissory note bears interest at 10.0% per annum, had a 1% placement fee and will mature on April 1, 2017.

On February 25, 2016, the Company completed a public equity offering to raise net proceeds of $8.0 million. $7.5 million of those net proceeds made up the cash contribution to acquire 70% of the Central Roast business.

On February 25, 2016, as part of the acquisition of Central Roast, the Company acquired a revolving credit facility which allowed the Company to borrow up to the lower of: i) $0.9 million or ii) 75% of accounts receivable aged less than 90 days. The acquired overdraft facility is secured by a general security agreement over the assets of the Central Roast operating division, is payable on demand and bears interest at a prime borrowing rate plus 1% per annum. The credit facility also includes an additional $0.1 million in credit by way of TD Visa. The Bank has also provided a U.S. exchange contract permitting the Company to buy foreign contracts of $0.2 million per day to a maximum of $1 million at any given time. The contract does not require the Company to pay any upfront or collateral fees.

On March 22, 2016, the Company entered into a loan agreement with a syndicate of lenders for gross proceeds of $1.9 million. (the “Bridge Loan”). The Bridge Loan was used to repay a $750,000 promissory note acquired as part of the Love Child acquisition and the remainder was contributed to the Company’s balance sheet for working capital purposes.

On September 2, 2016, the Company closed a $7.0 million bought deal short form prospectus offering of 6,210,000 common shares. Proceeds from the offering were primarily used to repay debt and support general working capital during the Company’s period of continual revenue growth.

Subsequent to quarter end, on October 7, 2016, the Company also finalized a three year, $7.5 million revolving senior secured ABL Facility with The Toronto-Dominion Bank. Proceeds from the new facility were used to complete the acquisition of the remaining 30% of the issued and outstanding shares of Central Roast Inc, making Central Roast a wholly-owned subsidiary of the Company.

After closing the ABL Facility, the Company was able to refinance the majority of its short-term loan obligations under a long-term, cost effective borrowing facility. Remaining initial proceeds from the new ABL Facility were also available to continue to finance working capital and capacity was still available is still available to assist in the financing of future acquisitions.

The Company`s future operating cash flows are largely dependent upon profitability and its ability to manage its working capital requirements.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, taking on debt, acquiring cash through acquisitions or disposing of assets. The capital structure is reviewed by Management and the Board of Directors on an ongoing basis.

The Company considers its capital to be share capital and long-term debt.

The Company manages capital through forecasting processes whereby working capital and operational cash-flow are forecasted on a weekly basis to proactively identify any capital shortfall or surplus. The Company’s budget is updated on a monthly basis based on actual experience. The annual budget is reforecast quarterly and any updates to the annual budget through the reforecast are reviewed with the Board of Directors.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has a non-material vehicle lease agreement expiring in January 2019.

On June 23, 2015, the Company also issued a stand-by letter of credit for $161,122 U.S. dollars from a Canadian financial institution to one of its U.S. suppliers as security. On October 26, 2015, that stand-by letter of credit was returned by the U.S supplier and cancelled by the Canadian financial institution.

On July 4, 2016, the Company entered into a 10-year lease agreement for a 50,000 square foot warehouse facility. The lease agreement commences on November 1, 2016 and the space will be sufficient to accommodate the current year inventory build as a result of new revenue opportunities and the new facility also gives the Company adequate space for growth. The new leased facility has an annual rent of $0.4 million.

Subsequent to September 30, 2016, under its new ABL Facility, the Company issued a stand-by letter of credit for $0.2 million to one of its Canadian suppliers for extended credit terms.

TRANSACTIONS BETWEEN RELATED PARTIES

The Company has a lease arrangement for office space with a shareholder of the Company. The Company paid rent expense of $45,000 and $23,000 respectively for the six month periods ended September 30, 2016 and 2015.

The Company has an outstanding balance of $0.2 million at September 30, 2016 (March 31, 2016 - $0.2 million) due to the CEO included in accounts payable and accrued liabilities. These amounts relate to unpaid compensation, accordingly, there are no specified repayment terms and this amount does not bear interest.

The Company purchases raw materials for the production of its finished products through a meat broker whose principal is also a shareholder of our Company. At September 30, 2016, $0.3 million (March 31, 2016 - $0.2 million) was due to that meat broker. The balance was included in accounts payable and accrued liabilities. For the three and six months ended September 30, 2016 total purchases from that meat broker amounted to $nil and $0.6 million respectively (2015 - $0.3 million – three months, $0.4 million – six months). These purchases of raw materials are on an arm's length commercial terms and do not bear interest.

The Company has made a number of purchases for an unrelated company controlled by a common shareholder. The purchases are completed on arm's length commercial terms and are expected to be repaid within the upcoming fiscal year. At September 30, 2016, $38,000 was owed by the unrelated company controlled by a common shareholder (March 31, 2016 – $38,000). The amount owed is non-interest bearing with no specified terms of repayment.

On March 2, 2015, the Company issued a promissory note to a shareholder for proceeds of $0.5 million. The promissory note bore interest at 12.0% per annum and matures the earlier of May 30, 2015 or 5 business days subsequent to the completion of the Qualifying Transaction private placement. The principal promissory note and accrued interest were repaid on May 5, 2015 subsequent to the completion of the private placement associated with the Qualifying Transaction.

On December 18, 2015, the Company issued a promissory note to a shareholder for proceeds of $0.4 million. The promissory note bears interest at 10.0% per annum, had a 1% placement fee and initially matured the earlier of June 30, 2016 or 10 business days subsequent to the completion of any equity financing. On February 25, 2016, the repayment term on the promissory note was extended by the current shareholder to April 1, 2017. On June 29, 2016, the Company issued a second promissory note to the same shareholder for proceeds of $0.2 million. This second promissory note, similar to the first, bears interest at 10.0% per annum, had a 1% placement fee and was initially expected to mature on April 1, 2017. On October 17, 2016, in exchange for an extension of the repayment term to October 1, 2017, these two outstanding promissory notes became convertible debt loans which provided the shareholder the ability to convert any portion of the loan principle into common shares of the Company at a price of $1.15 per common share.

As part of the acquisition of Central Roast (see note 6(ii)), the Company acquired two loans totaling $0.9 million to the former shareholders of Central Roast who, through the acquisition, became shareholders in the Company. These shareholder loans bear interest at 8% per annum, payable monthly and mature on April 1, 2017. These two acquired loans have been secured against assets of the Company along a personal guarantee from the Company's Chief Executive Officer ("CEO"). The loans were paid off on September 2, 2016 with the short form prospectus.

Key management includes the Company's directors and officers. Compensation awarded to key management includes a salary, stock based compensation and director fees. The following table presents key management compensation:

(Expressed in thousands of Canadian dollars)	Three month period ended		Six month period ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Salary and director fees	$165	$211	$343	$376

SUBSEQUENT EVENTS

On October 7, 2016, the Company finalized the terms on a $7.5 million revolving senior secured asset based lending facility with The Toronto-Dominion Bank ("ABL Facility"). The maximum availability under the ABL facility is subject to a borrowing base calculation determined as a percentage of the Company's accounts receivable, inventory less priority payables and availability reserves. The ABL Facility is secured by substantially all of the assets of the Company and contains standard financial covenants. Proceeds from the new facility were used to complete the acquisition of the remaining 30% of the issued and outstanding shares of Central Roast Inc. ("Central Roast"), making Central Roast a wholly-owned subsidiary of GreenSpace.

Also in conjunction with the closing the ABL Facility, the principal amount of an existing shareholder loan for $600,000 is now convertible into common shares of the Company at a price of $1.15 per share. After closing the ABL Facility, the Company has now refinanced the majority of its short-term loan obligations under a long-term, cost effective borrowing facility. Remaining initial proceeds from the new ABL Facility were available to finance working capital and capacity is still available to assist in financing future acquisitions.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Management's discussion and analysis of its financial condition and results of operations, including the discussion on liquidity and capital resources, is based upon the Company's unaudited condensed consolidated interim financial statements, which have been prepared in accordance with IFRS unless otherwise noted.

The preparation of these condensed consolidated interim financial statements requires management to make estimates and judgements that affect the reported amounts of assets, liabilities, revenue, expenses and related disclosure of contingent assets and liabilities. On an ongoing basis, management evaluates its estimates and judgements, particularly those related to the determination of the estimated recoverable amount of accounts receivable, inventory, provisions, financial instruments and share based compensation. Management bases its estimates on historical experience and on various other assumptions, which are believed to be reasonable under the circumstances, the results of which form the basis for making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources.

No known trends, commitments, events or other uncertainties are currently believed to materially affect the assumptions used. Critical accounting estimates and judgements are described in greater detail in the Company's annual MD&A for the year ended March 31, 2016 and the audited annual consolidated financial statements for the year ended March 31, 2016.

CHANGES IN ACCOUNTING POLICIES / FUTURE ACCOUNTING POLICY CHANGES

The Company's accounting policies are set out in the Company's annual consolidated financial statements for the year ended March 31, 2016 and were consistently applied to all the periods presented unless otherwise noted below.

Intangible assets

Intangible assets are measured at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets acquired through asset acquisitions or business combinations are initially recognized at fair value, based on an allocation of the purchase price. The intangible assets are amortized on a straight-line basis over their estimated useful lives. The amortization method, estimated useful lives and residual values are reviewed each financial year-end or more frequently if required, and are adjusted as appropriate.

A summary of useful lives is as follows:

Customer relationships	8 - 10 years
Brand	Indefinite
Technology	Indefinite
Non-compete agreement	3 years

Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect both accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it provides a valuation allowance against that excess.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend.

Future Changes in Accounting Policies

The Company is currently evaluating the adoption of the following new and revised standards. Any changes will be made in accordance with the applicable transitional provisions.

IFRS 9 – Financial Instruments

On July 24, 2014, the IASB issued the final version of IFRS 9 Financial Instruments (IFRS 9), which replaces IAS 39 Financial Instruments: Recognition and Measurement. This final version of IFRS 9 represents the completion of the IASB's project on financial instruments and it includes the requirements for recognition and measurement, impairment, derecognition and general hedge accounting. This final version of IFRS 9 supersedes all prior versions of IFRS 9 and is effective for annual periods beginning on or after January 1, 2018, with earlier application permitted. The Company currently intends to adopt the standard on its effective date and is evaluating the impact on its consolidated financial statements.

IFRS 15 - Revenue from Contracts with Customers

On May 28, 2014, the IASB published IFRS 15 Revenue from Contracts with Customers, which replaces IAS 18, Revenues. The principle of this new standard is to recognize revenue to depict the transfer of goods or services to a client, for an amount which reflects the payment that the entity expects to receive in exchange for those goods and services. Revenue is recognized and measured using a five-step model. The new standard also introduces additional disclosures. This new standard is effective for annual periods beginning on or after January 1, 2018, with earlier application permitted. The Company currently intends to adopt the standard on its effective date and is evaluating the impact on its consolidated financial statements.

IFRS 16 – Leases

In January 2016, the IASB has issued IFRS 16 – Leases (IFRS 16), its new leases standard that requires lessees to recognize assets and liabilities for most leases on their balance sheets. Lessees applying IFRS 16 will have a single accounting model for all leases, with certain exemptions. Lessor accounting is substantially unchanged. The new standard will be effective from January 1, 2019 with limited early application permitted. The Company is in the process of reviewing the standard to determine the impact on its consolidated financial statements.

RISKS AND UNCERTAINTIES

The Company is subject to certain risks and uncertainties that could have a material adverse effect on the Company's results of operations, business prospects, financial condition and the trading price of the common shares. These risks and uncertainties include: cyclicality, reduction in demand, seasonality, competition, information management, foreign exchange, labour, income tax matters, customer concentration, relationships with suppliers, product liability, capital and liquidity risk, collections from customers, interest rates, distribution agreements, lack of long term customer sales agreements, dependence on key personnel, and growth challenges. All of these factors remain substantially unchanged from those described in the Company's 2016 Annual Information Form and the Company's March 31, 2016 year-end MD&A.

NON-IFRS MEASURES

Definitions and Reconciliations

"Adjusted gross profit" represents gross profit adjusted to exclude non-recurring, one-time listing fees which would not be considered part of on-going, normal operations. The Company's management believes that in addition to gross profit, adjusted gross profit is a useful supplemental measure of gross profit prior to one-time expense items such as listing fees. Adjusted gross profit allows management to compare the Company's margin over time on a consistent basis. However, adjusted gross profit is not a recognized measure under IFRS. Investors are cautioned that Adjusted gross profit should not be construed as an alternative to gross profit determined in accordance with IFRS. The Company's method of calculating Adjusted gross profit may differ from the method used by other issuers, and accordingly, the Company's adjusted gross profit calculation may not be comparable to similarly titled measures used by other issuers.

"EBITDA" is earnings before interest expense, income taxes, depreciation and amortization. The Company's management believes that in addition to net income or loss, EBITDA is a useful supplemental measure of cash available for distribution prior to debt service, changes in working capital, capital expenditures and income taxes. However EBITDA is not a recognized measure under IFRS. Investors are cautioned that EBITDA should not be construed as an alternative to net income or loss determined in accordance with IFRS, or as an indicator of the Company's performance, or as an alternative to cash flows from operating, investing and financing activities which measure the Company's liquidity and cash flows. The Company's method of calculating EBITDA may differ from the method used by other issuers and, accordingly, the Company's EBITDA calculation may not be comparable to similarly titled measures used by other issuers.

"Adjusted EBITDA" represents EBITDA adjusted to exclude non-recurring, one-time income and expense items which would not be considered part of on-going, normal operations. The Company's management believes that in addition to net income or loss, Adjusted EBITDA is a useful supplemental measure of cash available for distribution prior to debt service, changes in working capital, capital expenditures and income taxes. Adjusted EBITDA allows management to compare the Company's operating performance over time on a consistent basis. It is believed that certain investors and analyst use Adjusted EBITDA to measure a company's ability to service debt and to meet payment obligations, or as a common valuation measurement. However, Adjusted EBITDA is not a recognized measure under IFRS. Investors are cautioned that Adjusted EBITDA should not be construed as an alternative to net income or loss determined in accordance with IFRS, or as an indicator of the Company's performance, or as an alternative to cash flows from operating, investing and financing activities which measure the Company's liquidity and cash flows. The Company's method of calculating Adjusted EBITDA may differ from the method used by other issuers and, accordingly, the Company's Adjusted EBITDA calculation may not be comparable to similarly titled measures used by other issuers.

Reconciliation of Gross profit to Adjusted gross profit

(expressed in thousands of Canadian dollars)

	3-months ended September 30, 2016	3-months ended September 30, 2015	**6-months ended September 30, 2016**	6-months ended September 30, 2015
	$	$	**$**	$
Gross profit	**1,945**	287	**4,059**	459
Add back non-recurring expenses				
Listing fees	**254**	26	**382**	59
Adjusted gross profit	**2,199**	313	**4,441**	518

Reconciliation of Net loss from continuing operations to EBITDA and Adjusted EBITDA from continuing operations

(expressed in thousands of Canadian dollars)

	3-months ended September 30, 2016	3-months ended September 30, 2015	**6-months ended September 30, 2016**	6-months ended September 30, 2015
	$	$	**$**	$
Net loss and comprehensive loss	**(996)**	(744)	**(1,597)**	(2,346)
Interest and accretion expense	**727**	7	**1,195**	19
Depreciation and amortization	**300**	-	**602**	-
Deferred income tax recovery	**(69)**	**-**	**(138)**	-
EBITDA	**(38)**	(737)	**62**	(2,327)
Add back non-recurring expenses				
TSX listing fees associated with Equity Offerings	**45**	-	**51**	-
Legal expenses associated with the Qualifying Transaction	**-**	36	**-**	111
Auditing expenses associated with the Qualifying Transaction	**41**	-	**41**	10
Legal expenses associated with Equity Offerings and Acquisitions	**35**	75	**64**	75
Listing Fees	**254**	-	**382**	59
Severance pay	**15**	26	**49**	-
Reverse take-over listing fee	**-**	-	**-**	991
Adjusted EBITDA	**352**	(600)	**649**	(1,081)

OUTSTANDING SHARE DATA

As of November 9, 2016, the Company had 42,124,662 common shares issued and outstanding, 10,026,210 warrants convertible into 10,026,210 common shares of the Company and 1,624,912 stock options, convertible into 1,624,912 common shares of the Company.

OUTLOOK

This section contains certain forward-looking statements. Please refer to the disclosure under the heading “Forward-Looking Statements” for a discussion of risks and uncertainties related to such statements.

Management continues to believe that there are a number of fundamental trends occurring within both the Global and North American food industries that will continue to drive consumer demand for its brands and customers will continued to be attracted by the Company's innovation within the natural and organic marketplace. The increase in consumer demand for natural and organic foods has left a gap within most North American grocery retailers and food distributors as they realize these are the categories that show the highest potential growth and profit margin. Based on a 2015 Organic Trade Association state of the industry report, the U.S. organic and natural food categories are expected to grow at a compound annual growth rate of 11% over the next 3 years, compared to conventional food categories growing at a rate of only 2%. As well, the same report expected that the Global organic food market would reach $210 billion by the year 2020.

With these trends in mind, Management continues to be optimistic that this anticipated growth will continue to drive demand for the Company's acquired and developed brands and provides a lot of opportunity for further expansion into new product offerings. This has been evidence by a number of new distribution wins announced over the last two quarters. In particular, Management believes that GreenSpace Brands is one of very few companies positioned to capitalize on the emerging grass-fed trend in Canada.

GreenSpace expects that it will continue to grow through a two pronged growth strategy. Firstly, the Company expects to have a strong and on-going internal brand and product development program. There are currently a number of new product offerings in various stages of development that the Company expects to release strategically, to fill gaps in the Canadian natural and organic marketplace, over the next few quarters. Secondly, the Company expects to continue to grow through acquisition by making strategic investments in strong, simple ingredient businesses which would have positive and immediate impacts on revenue, profitability and operating cash-flow. Both the Love Child and Central Roast acquisitions completed over the past fiscal year are great examples of the type of businesses that the Company is looking to acquire.

With its larger revenue base and numerous new distribution wins management expects to continue to generate increasingly positive EBITDA margins and positive operating cash-flows through the remainder of the current fiscal year. Management continues to feel it is in a strong position to be one of the principle consolidators in the North American natural and organic food market, due to its industry position and accumulated reputational goodwill.

FORWARD-LOOKING STATEMENTS

Certain statements in this press release constitute forward-looking statements within the meaning of applicable securities laws. Forward-looking statements include, but are not limited to, statements made under the heading "Outlook" and other statements concerning the Company's 2016 objectives, strategies to achieve those objectives, as well as statements with respect to management's beliefs, plans, estimates, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans" or "continue", or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those contemplated by such statements and there can be no assurance that actual results will be consistent with these forward-looking statements. Factors that could cause such differences include the cyclical nature of the construction and agriculture industries, changes in general economic conditions and interest rates, adverse weather, cost and availability of materials used to manufacture the Company's products, competitive developments, legislative and government policy changes, as well as other risk factors included in the Company's Annual Information Form dated November 9, 2015 under the heading "Risks and Uncertainties Related to the Business" and as described from time to time in the reports and disclosure documents filed by the Company with Canadian securities regulatory agencies and commissions. This list is not exhaustive of the factors that may impact the Company's forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on the Company's forward-looking statements. As a result of the foregoing and other factors, no assurance can be given as to any such future results, levels of activity or achievements or levels of dividends and neither the Company nor any other person assumes responsibility for the accuracy and completeness of these forward looking statements. The factors underlying current expectations are dynamic and subject to change. Certain statements included in this press release may be considered "financial outlook" for purposes of applicable securities laws, and such financial outlook may not be appropriate for all purposes. All forward-looking statements in this press release are qualified by these cautionary statements. The forward-looking statements contained herein are made as of the date of this press release and except as required by applicable law, the Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

ADDITIONAL INFORMATION

Additional information, including the Company's annual information form, is on SEDAR at www.sedar.com.