GREENSPACE BRANDS INC.

Management's Discussion and Analysis

For the three months and years ended March 31, 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 months and years ended March 31, 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 months and year ended March 31, 2016 and 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 annual consolidated financial statements and accompanying notes of the Company 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 earnings before interest expense, income taxes, depreciation and amortization ("EBITDA") and Adjusted EBITDA as defined in the "Non-IFRS Measures" section. 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 June 21, 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 business of developing, marketing and selling premium, convenient natural food products to Canadian consumers, 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 its affiliated brands. GreenSpace sources its natural ingredients largely from local, ethically operated farms and combines those 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 dairy products, such as milk, yogurt, butter and kefir, made with 100% Canadian, grass fed milk.
- 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 product line 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.

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 the Company's existing relationships with its key Canadian retail and distribution partners.

GreenSpace aims to continue to grow through a two pronged growth strategy. First, GreenSpace expects to grow through making continued investments in new brands and continued product development to broaden the product offerings in the established brands that have already been brought to market. Second, the Company expects to grow through acquisition by making strategic investments in strong, simple ingredient businesses in the natural and organic food space. By integrating various brands, GreenSpace aims to achieve economies of scale and enhance market penetration.

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

OPERATING STRATEGY

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

GreenSpace's priorities are to:

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

FOURTH QUARTER AND YEAR-TO-DATE CONSOLIDATED RESULTS

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

Comparative Statements of Loss *(expressed in thousands of Canadian dollars)*

	For the 3-month period ended March 31, 2016 $	2015 $	Inc/(Dec) $	Inc/(Dec) %	For the year ended March 31, 2016 $	2015 $	Inc/(Dec) $	Inc/(Dec) %
Gross revenue	**5,786**	1,509	4,277	283.4	**12,672**	4,029	8,643	214.5
Less: rebates and discounts	**(457)**	(76)	(381)	501.3	**(1,169)**	(395)	774	195.9
Less: listing fees	**(979)**	(13)	(966)	7430.8	**(1,045)**	(58)	987	1701.7
Net revenue	**4,350**	1,420	2,930	206.3	**10,458**	3,576	6,882	192.5
Cost of goods sold	**3,967**	1,150	2,817	245.0	**8,977**	3,031	5,946	196.2
Gross profit	**383**	270	113	41.9	**1,481**	545	936	171.7
Gross profit percentage	**8.8%**	19.0%			**14.2%**	15.2%		
Adjusted gross profit[1]	**1,362**	283	1,079	381.3	**2,526**	603	1,923	318.9
Adjusted gross profit percentage	**25.6%**	19.8%			**22.0%**	16.6%		
General and administrative	**238**	195	43	22.1	**781**	315	466	147.9
Storage and Delivery	**372**	65	307	472.3	**853**	205	648	316.1
Salaries and benefits	**509**	311	198	63.7	**1,668**	817	851	104.2
Advertising and promotion	**170**	203	(33)	(16.3)	**681**	462	219	47.4
Professional fees	**729**	233	496	212.9	**1,295**	265	1,030	388.7
Stock-based compensation	**79**	-	79	100.0	**257**	-	257	100.0
Reverse take-over listing fee	**-**	-	-	-	**991**	-	991	100.0
Net loss before interest and accretion expense and change in fair value of derivative liability.	**(1,714)**	(737)	(977)	132.6	**(5,045)**	(1,519)	(3,526)	232.1
Interest expense	**67**	60	7	11.7	**138**	128	10	7.8
Change in fair value of derivative liability	**-**	-	-	-	**-**	5	(5)	(100.0)
Net loss from continuing operations before income taxes	**(1,781)**	(797)	(984)	123.5	**(5,183)**	(1,652)	(3,531)	213.7
Accretion expense	**106**	-	106	100.0	**106**	-	106	100.0
Income taxes recovery	**-**	-	-	-	**-**	-	-	-
Net loss from continuing operations	**(1,887)**	(797)	(1,090)	136.8	**(5,289)**	(1,652)	(3,637)	220.2
Net loss from discontinued operations, net of income taxes	-	-	-	-	**-**	2	(2)	(100.0)
Net loss and comprehensive loss	**(1,887)**	(797)	(1,090	136.8	**(5,289)**	(1,654)	(3,635)	219.8
EBITDA[1]	**(1,680)**	(737)	(943)	(128.08)	**(5,003)**	(1,526)	(3,477)	(312.6)
As a percentage of net revenue	**(38.6%)**	(51.9%)			**(47.8%)**	(42.7%)		
Adjusted EBITDA[1]	**18**	(527)	545	103.4	**(1,730)**	(1,271)	(459)	(36.1)
As a percentage of net revenue, adding	**0.4%**	(36.8%)			**(15.0%)**	(35.0%)		

[1] See Non-IFRS Measures

Revenue

Gross Revenue for the quarter-ended March 31, 2016 increased 283.4% and Net Revenue, which is gross revenue excluding deductions for rebates, discounts and one-time listing fees, increased 206.3% over the same period in prior year, due to the continued strong internal growth of existing GreenSpace brands, a full quarter of Love Child and the additional revenue from only one month of the Central Roast acquisition.

On a pro-forma basis, the Central Roast acquisition effectively doubled the consolidated revenue run rates of legacy GreenSpace brands and Love Child. If Central Roast had been acquired on January 1, 2016 and owned for the entire fourth quarter, gross revenue for the quarter would have totaled $8.0 million and net revenue for the quarter would have totaled $6.3 million which would have represented a 429.3% and 345.8% increase respectively over the same period in prior year.

Although the acquisition of Central Roast has contributed to the quarterly revenue increase, both Love Child and each of the legacy GreenSpace brands have also continued to have strong net revenue growth rates quarter-over-quarter.

For the year ended March 31, 2016, gross revenue increased 214.5% and net revenue increased 192.5% as compared to prior year. The Love Child and Central Roast acquisitions accounted for 108.5% of the year-over-year net revenue increase and the remainder was due to the incremental new brand launches of Nudge and Kiwi Pure and the continued strong sales growth of the established Rolling Meadow, Holistic Choice and Life Choices brands.

All of the Company's acquired or internally developed brands and product offerings continue to be extremely well received. The strengthening consumer demand, along with the Company's expanding product portfolio and increased market penetration bode well for continued quarter-over-quarter revenue increases in the foreseeable future.

Adjusted Gross Profit (see Non-IFRS Measures)

As the listing fees incurred in the quarter and year-to-date are one-time costs to get new products on the shelf and are not considered part of normalized on-going operations they 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.

The Company's adjusted gross profit margins in the fourth quarter and for the year ended March 31, 2016 improved considerably compared to the same periods in prior year. The adjusted gross profit margin improvement was due primarily to the acquisitions of both Central Roast and Love Child which traditionally have earned higher margins as compared to the legacy brands and the expected improvement through the year in the Rolling Meadow margins as consistency became established in customer order patterns reducing the amount of inventory write-offs.

This is the Company's fourth consecutive quarter with adjusted gross profit margin improvements and now with the completed acquisitions of both Love Child and Central Roast, the Company has the diversified product offerings and revenue scale it needs such that its consolidated margins are expected to normalize around this level for future quarters.

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

As expected, now with the completion of both the Love Child and Central Roast acquisitions the Company has obtained the required net revenue to more than cover its consolidated SG&A expenses and become profitable.

The Company has identified a number of cost saving initiatives through both acquisitions. By the end of the fourth quarter, most of the benefits from the Love Child cost saving initiatives have been realized. As the acquisition of Central Roast wasn't completed until the end of February there continue to be a number of SG&A synergies with Central Roast that the Company is in the process of implementing. Consequently, it is expected that the Company's SG&A expenses as a percentage of revenue will continue to improve and should normalize by the end of the second quarter of this current fiscal year.

For the three months ended March 31, 2016 general and administrative expenses decreased from 13.7% of net revenue in the fourth quarter of fiscal 2015 to 5.5% of net revenue in the current quarter. General and administrative expenses decreased from 8.8% of net revenue for the year ended March 31, 2015 to 7.5% in the current year. Both the quarterly and year-to-date decreases as a percentage of revenue were the result of leveraging higher sales volumes over fixed general and administrative expenses and the implementation of a number of cost containment strategies in the corporate head office and through each of the acquired businesses the current fiscal year.

As expected, with the substantial increase in inventory through the acquisitions of Love Child and Central Roast, storage and delivery expenses increased as a percentage of revenue both for the quarter and year ended March 31, 2016 as compared to the same periods in prior year. For the three months ended March 31, 2016 storage and delivery expenses increased from 4.6% of net revenue in the fourth quarter of fiscal 2015 to 8.6% of net revenue in the current quarter and increased from 5.7% of net revenue for the year ended March 31, 2015 to 8.2% in the current year. Both the quarterly and annual increases were expected due to the increasing inventory levels for Love Child and the GreenSpace legacy brands requiring more warehouse storage space and due to the increased costs continued to be incurred by Love Child to send products to the United States. As Central Roast manages its own production and warehousing facilities the acquired business has been able to do so with much lower storage and delivery costs as a percentage of revenue. Consequently, as Central Roast was only owned for one month in the current fiscal year, management expects through the up-coming year that storage and delivery expenses should normalize closer to historic levels through the next two quarters.

For the three months ended March 31, 2016 salary and benefits expenses decreased from 21.9% of net revenue in the fourth quarter of fiscal 2015 to 11.7% of net revenue in the current quarter. Similarly, salary and benefits decreased from 22.8% of revenue for the year ended March 31, 2015 to 15.9% in the current year. Both of these decreases were expected as the acquisitions of Central Roast and Love Child have provided the Company with the necessary revenue scale to support its organizational structure. As discussed in previous quarters, this structure was put in place strategically through fiscal 2015 to facilitate growth through acquisition and the Company's current structure will continue to allow it to expand and integrate a number of strategic acquisitions without significant headcount additions.

Advertising and promotional expenses were 3.9% and 6.5% of net revenue for the quarter and year ended March 31, 2016, which decreased from 14.3% and 12.9% of net revenue for the quarter and year ended March 31, 2015. The year-over-year improvement reflects the Company's efforts to consolidate marketing and promotional campaigns and gain economies of scale across all of its brands.

Professional fees were higher during the fourth quarter of 2016 due to the incremental legal and accounting fees associated with the Company's equity offering and acquisition of Central Roast. Professional Fees were higher through the 2016 year due not only to the incremental fees incurred in the quarter but also fees incurred to complete the Company's Qualifying Transaction, the acquisition of Love Child and legal fees incurred completing due diligence on a number of potential acquisition targets. It is expected that all of these incremental costs will be non-recurring and would not be considered part of normalized on-going operations. Consequently, these incremental costs have been normalized 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 options around the Company's going-public transaction. Another tranche of options was awarded to all retained Love Child employees in the third quarter. The stock-based compensation expense recognized in the fourth quarter and year-to-date of the current fiscal year were the result of these option awards.

The reverse take-over listing fee expensed in the first half 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 is a non-cash expense that would not be considered part of normal operations and this expense will not reoccur in future periods. Consequently, this reverse take-over listing fee has been normalized in calculating adjusted EBITDA. Please see the non-IFRS measures section of the MD&A below.

Management is 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 the earlier estimates disclosed.

Interest and Accretion Expense

The Company incurred higher interest and accretion charges in the fourth quarter and year-to-date in fiscal 2016 due to the acquired debt and related party loans associated with the Love Child and Central Roast acquisitions. through the current fiscal year.

Net loss and comprehensive loss

Net loss and comprehensive loss increased to $1.8 million (loss of $0.06 per share) in the fourth quarter of fiscal 2016 compared to $0.8 million (loss of $0.24 per share) over the same period in the prior year. For the year ended March 31, 2016, net loss and comprehensive loss increased to $5.2 million (loss of $0.25 per share) compared to $1.7 million (loss of $0.57 per share) over the same period in the prior year. The increased loss was primarily due to one-time, non-recurring expenses in the current quarter and year-to-date related to the Company's going-public transaction, retailer listing fees, numerous equity offerings and acquisitions of Love Child and Central Roast. As well, the Company made a number of planned brand investments which are expected to help the Company continue to grow and gain market share through future periods.

Adjusted EBITDA (see Non-IFRS Measures)

For the three months ended March 31, 2016 the Company has been able to report its first positive adjusted EBITDA quarter and this includes only one month of the Central Roast acquisition.

The decrease seen in adjusted EBITDA for the full fiscal year of 2016 was not unexpected as the Company only gained the revenue scale to earn positive EBITDA margins after completing the Central Roast acquisition in February 2016. For the year ended March 31, 2016, the Company incurred higher incentive and advertising costs to support its new brand launches and higher salary and benefit expenses due to the assembly of a highly talented management team which has allowed the Company to effectively integrate two significant acquisitions without the need for significant additional resources.

SELECTED QUARTERLY INFORMATION

(expressed in Canadian dollars)

Unaudited quarterly financial data for fiscal 2016 and 2015 is summarized as follows. The sum of the net income per share from continuing and discontinued 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	**31-Mar-16**	**31-Dec-15**	**30-Sep-15**	**30-Jun-15**	**31-Mar-15**	**31-Dec-14**	**30-Sep-14**	**30-Jun-14**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Gross revenue	5,786	3,382	1,910	1,594	1,509	845	771	621
Less: rebates and discounts	(457)	(388)	(177)	(148)	(76)	(18)	(14)	(3)
Less: listing fees	(979)	(7)	(26)	(33)	(13)	(15)	(30)	(1)
Net revenue	4,350	2,987	1,707	1,413	1,420	812	727	617
Gross profit	383	638	288	172	270	6	138	130
Gross profit %	8.8%	21.4%	16.9%	12.1%	19.0%	0.7%	19.0%	21.1%
Adjusted gross profit[1]	1,362	645	314	205	283	21	169	131
Adjusted gross profit %	**25.6%**	**21.5%**	**18.1%**	**14.2%**	**19.8%**	**2.5%**	**22.3%**	**21.2%**
Net loss from continuing operations	(1,841)	(1,055)	(744)	(1,603)	(798)	(468)	(207)	(179)
Net income (loss) from discontinued operations	-	-	-	-	-	-	-	(2)
Net loss	(1,841)	(1,055)	(744)	(1,603)	(798)	(468)	(207)	(181)
Net loss per share from continuing operations – basic and diluted	(0.07)	(0.05)	(0.04)	(0.11)	(0.24)	(0.16)	(0.08)	(0.07)
EBITDA[1]	(1,680)	(1,003)	(737)	(1,591)	(737)	(445)	(184)	(160)
EBITDA % of net revenue	(38.6%)	(33.6%)	(43.2%)	(112.6%)	(51.9%)	(54.8%)	(25.3%)	(25.9%)
Adjusted EBITDA[1]	**18**	**(674)**	**(593)**	**(481)**	**(528**	**(430)**	**(154)**	**(159)**
Adjusted EBITDA, as a percentage of net revenue excluding listing fees	**0.4%**	**(22.5%)**	**(34.2%)**	**(33.3%)**	**(36.8%)**	**(52.0%)**	**(20.3%)**	**(25.8%)**

[1]See Non-IFRS Measures

For the quarter-ended December 31, 2015, the Company had recorded a number of estimated legal accruals and expenses associated with its on-going public equity offering, the acquisition of Central Roast and the private equity placements that were completed in October and November 2015. After receiving the detailed legal invoices the Company determined that $284,058 of those legal expenses recorded in the quarter-ended December 31, 2015 were directly related to the issuance of capital and consequently those legal expenses were reclassified to equity and presented as share issuance costs in the year-end consolidated financial statements.

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 and Rolling Meadow milk, yogurt and butter product lines have not shown any significant seasonal fluctuations.

Historically, net sales in the 4th quarter are highest and sales in the 1st quarter are lowest. Similar to sales the Company's earnings have traditionally been lowest in the first quarter and relatively consistent in the second and third fiscal quarters. 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 year ended March 31,	
	2016	**2015**
Cash provided by (used for)	**$**	$
Operating activities	**(4,838)**	(1,744)
Investing activities	**(9,877)**	-
Financing activities	**14,715**	1,715
Net increase (decrease) in cash	**-**	(29)
Cash - beginning of period	**-**	29
Cash – end of period	**-**	-

Cash flow from continuing operations consumed $4.8 million for the year ended March 31, 2016 (2015 - $1.7 million). The negative operating cash-flow for fiscal 2016 was primarily the result of an operating loss incurred year-to-date and cash used to fund inventory requirements associated with the new brand and product launches. When introducing a new brand or product to market the Company needs to manufacture an initial large volume order to meet co-packer minimum order requirements. Cash utilized in investing activities consumed $9.9 million for the year ended March 31, 2016 (2015 – nil). Cash was primarily used to complete the acquisitions of Central Roast and Love Child. The Company financed these investing activities and working capital requirements by completing a number of equity raises, obtaining additional debt financing and through the proceeds raised through its Qualifying Transaction.

LIQUIDITY AND CAPITAL RESOURCES

The Company is currently in the process of exploring the potential to consolidate its outstanding debt facilities that have been rolled over or added as part of the Company's recent business acquisitions. Management is also in the process of evaluating a number of potential sources of debt financing options and through the course of the up-coming fiscal year the Company is working to consolidate these acquired obligations into two larger 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 September 30, 2015, the Company continued to carry the first BDC term loan on its balance sheet. As well, the Company had available a $500,000 overdraft facility with TD Canada Trust. Subsequent to September 30, 2015 that 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. Both the original and amended facilities do not have any financial covenants and nothing was drawn on the facility at September 30, 2015.

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 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. The remainder was used by the Company for operational working capital purposes.

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.

The Company`s future operating cash flows are largely dependent upon profitability and its ability to manage its working capital requirements, primarily inventory, accounts receivable and accounts payable.

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 its financial and operational forecasting processes including working capital forecasts and forecasts of future operational cash flows. The Company budget is regularly updated based on actual experience and summary forecast information is frequently provided to 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, the stand-by letter of credit was returned by the U.S supplier and cancelled by the Canadian financial institution.

Other than these two off-balance sheet arrangements, the Company has no other material off-balance sheet arrangements.

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 $18,826 and $nil for the three month period ended March 31, 2016 and 2015 and $59,595 and $nil for the year ended March 31, 2016 and 2015.

The Company has an outstanding balance of $169,181 at March 31, 2016 (March 31, 2015 - $301,918) 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. At March 31, 2016, included in accounts payable and accrued liabilities, are balances on credit cards in the CEO's name that have been used by the Company amounting to $nil (2015 - $55,026).

The Company purchases raw materials for the production of its finished products through a meat broker whose principal is also a shareholder of the Company. At March 31, 2016, $161,224 (March 31, 2015 - $415,230) was due to that meat broker. The year-end balance was included in accounts payable and accrued liabilities. For the year ended March 31, 2016 total purchases from that meat broker amounted to $581,266 (2015 - $492,129). 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 March 31, 2016, $37,525 was owed by the unrelated company controlled by a common shareholder (March 31, 2015 – the Company owed the unrelated company $19,101). 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 $500,000. The promissory note bears 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 principle promissory note and any accrued interest was 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 $400,000. 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.

As part of the acquisitions of Love Child and Central Roast, the Company issued vendor-take-back loans ("VTB Loans"), earn-out consideration and deferred purchase consideration to the former shareholders of the acquired businesses. As these former shareholders are also shareholders in the Company these balances have been presented as related party payables on the consolidated statements of financial position.

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:

	Year ended March 31, 2016	Year ended March 31, 2015
Salary and director fees	$798,550	$332,500

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. Actual results could differ from these estimates. The effect of changes in such estimates on the financial statements in future periods could be significant. Accounts specifically affected by estimates in these condensed interim consolidated financial statements are:

Allowance for doubtful accounts: Management assesses the credit worthiness and the financial position of all customers to arrive at and provide for an allowance for doubtful accounts on receivables.

Provisions for Inventory: Management makes estimates of the future customer demand for the Company's products when establishing appropriate provisions for inventory. In making these estimates, management considers product life of inventory and the profitability of recent sales of inventory. In many cases, product sold by the Company turns over quickly and inventory on-hand values are lower, thus reducing the risk of material misstatement. Management ensures that systems are in place to highlight and properly value inventory that may be approaching "best before" dates. To the extent that actual losses on inventory differ from those estimated, both inventory and net loss will be affected.

Business Combinations: In a business combination: substantially all identifiable assets, liabilities and contingent liabilities acquired are recorded at the date of acquisition at their respective fair values. One of the most significant areas of judgment and estimation relates to the determination of the fair value of these assets and liabilities, including the fair value of contingent consideration, if applicable. If any intangible assets are identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent external valuation expert may develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows. These valuations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied. In certain circumstances where estimates have been made, the companies may obtain third-party valuations of certain assets, which could result in further refinement of the fair-value allocation of certain purchase prices and accounting adjustments.

CHANGES IN ACCOUNTING POLICIES / FUTURE ACCOUNTING POLICY CHANGES

The accounting policies followed in these condensed consolidated interim financial statements are consistent with those of the previous fiscal year.

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, dividends to shareholders and the trading price of the common shares.

Competitive Industry

The prepared food industry in Canada is competitive, consisting of many large and small Canadian and international corporations, some possessing extensive financial resources and experience giving them strategic abilities in the development, sourcing, promotion, marketing, production and sale of product including but not limited to the ability to secure shelf space. Increased competition may have an adverse effect on profitability as it can result in lower sales, lower gross profits and/or greater operating costs.

Constant innovation in product development has been a key factor in the Company`s ability to compete with other large retail companies. There is a risk that the Company will be unable to develop new products to address consumer needs. Even if the Company identifies new innovations, the cost may be prohibitive, the product's taste may not meet consumer standards, there may be regulatory restrictions on production and advertising and new products may detract sales from existing products minimizing net revenues generated. If the Company is not successful in innovation, there is no assurance it will secure another competitive advantage.

The Company's ability to develop, market, and sell new products at an appropriate price may be hampered by unfavourable terms of sale imposed by its customers, the inability to obtain shelf space for its products at a reasonable cost or, once placed, the inability to secure retailing at an attractive price point. Due to high levels of competition in numerous product categories, significant retailers may demand listing fees, price concessions on products or may become more resistant to price increases for the Company's products. Increased price competition and resistance to price increases may have, a negative effect on results of operations. Competitors, many of whom have greater resources than the Company, vie for the same shelf placement and may offer incentives to the retailers that the Company cannot match.

Existing or future market participants may also compete for the recruitment and retention of qualified employees or for corporate acquisition candidates. Competition for corporate acquisition candidates could have the effect of increasing the price for acquisitions or reducing the number of suitable acquisition candidates.

The Company competes, particularly in the dairy category, with producers of non-premium products that have lower production costs and private labels that have lower marketing costs. Such producers offer conventional products at lower costs than premium products. An economic downturn or other external factor may cause consumers to become price sensitive. This could force the Company to lower its prices, resulting in lower profitability or, in the alternative, cause the Company to lose market share if it fails to lower prices.

Industry Relationships

The Company's ability, including manufacturing or distribution capabilities, and that of its suppliers, business partners and contract manufacturers, to make, move and sell products will be critical to its success. Damage or disruption to the Company's sales abilities or its manufacturing or distribution capabilities due to weather, including any potential effects of climate change, natural disaster, fire or explosion, terrorism, epidemics, pandemics, strikes, repairs or enhancements at its facilities, or other reasons including an increased demand for supplies from the limited number of suppliers, could impair the Company's ability to manufacture, transport or sell its products. Failure to take adequate steps to mitigate the likelihood or potential impact of such events, or to effectively manage such events if they occur, including a rapid response time, could adversely affect the Company's product supply, distribution, relationships, business, financial condition and results of operations, as well as require additional resources to restore its supply chain.

Maintaining Brand Image and Reputation

The success of the Company will depend on its ability to maintain the brand image for its existing products, extend its brands to new platforms, and expand its brand image with new product offerings. Underperformance of new product launches can damage overall brand credibility with customers and consumers. Furthermore, the development and introduction of new products requires substantial research, development and marketing expenditures, which the Company may not be able to finance or which it may be unable to recover if the new products do not achieve commercial success and gain widespread market acceptance. If the Company is unsuccessful in its product innovation efforts and demand for its existing products declines, its business could be negatively affected. The Company will seek to maintain, extend, and expand its brands and image through marketing investments, including advertising and consumer promotions, and product innovation. Negative public perception of food and beverage marketing could adversely affect the Company and its brand image. It could also lead to increased government regulation, which would result in increased costs to the Company and could affect the Company's ability to maintain, extend and expand its brands. Any adverse publicity concerning marketing practices, natural food regulation or consumer dissatisfaction, relating directly to the Company or relating to the industry as a whole, could damage the Company's reputation and brand image, undermine customer confidence and reduce long-term demand for natural food products.

The impact of adverse publicity on the Company's operations could be magnified due to the rapidly changing media environment. The Company is expected to use social and digital media and online advertising campaigns to market its products. The growing use of social and digital media increases the speed and extent that information or misinformation and opinions can be shared. Negative posts or comments about the Company, its brands or products on social or digital media, whether or not valid, could seriously damage its brands and reputation quickly and the Company will be required to rapidly respond to any negative feedback. If the Company does not manage online interactions and negative feedback as a whole, its product sales, financial condition and operating results could be materially and adversely affected.

Changes in Consumer Preferences and Demand

Consumer preferences evolve over time and the success of the Company's food products depends on its ability to identify the tastes and dietary habits of consumers and to offer products that appeal to their preferences, including concerns of consumers regarding health and wellness, obesity, product attributes, and ingredients at a competitive cost. Introduction of new products and product extensions require significant development and marketing investment. If the Company's new products fail to meet consumer preferences, or it fails to introduce new and improved products on a timely basis, then the return on new product investment will be less than anticipated. Consequently, the Company's strategy to grow sales and profits with investments in acquisitions, marketing, and innovation will be less successful.

A significant shift in consumer demand away from the Company's products or the Company's failure to maintain its current market position could reduce its sales or the prestige of its brands in its markets, which could have an adverse effect on the Company's results of operations. While the Company continues to diversify its product offerings, developing new products entails risks and it cannot be certain that demand for its products will continue at current levels or increase in the future.

Commodity Supply

The products distributed and/or sold by GreenSpace are created using a number of different commodities; primarily meat and dairy products. Commodities can be subject to price volatility caused by commodity market fluctuations, supply and demand, currency fluctuations, external conditions such as the environment, the weather, and changes in governmental agricultural and energy policies and regulations. In particular, GreenSpace is subject to rules and regulations around supply management systems like the dairy market which could affect its ability to market some of its products. For example, Rolling Meadow milk is currently classified as a 'niche' product by the Dairy Farmers of Ontario ("DFO"). Should the DFO change this classification to a 'special' milk class or other, GreenSpace would lose certain advantages offered by being classified as 'niche' and competition could increase. Certain of Canada's international trading partners have put pressure on the Federal Government to abolish the supply managed system in dairy, chicken and egg production in Canada, such as in the Trans-Pacific Partnership negotiations which Canada has recently joined. Although it is unclear what effect the winding down, should it occur, of supply management in Canada would have on GreenSpace ability to continue to run the Rolling Meadow brand, it is expected that any impact on the Canadian dairy industry would be phased in over a number of years, thus providing Canadian dairy industry participants time to make required adjustments.

Commodity price increases will result in increases in raw material, packaging, energy costs and operating costs. The Company may not be able to increase its product prices and achieve cost savings that fully offset these increased costs and increasing prices may result in reduced sales volume, reduced margins, and profitability. GreenSpace purchases certain commodities directly from the source (rather than from a vendor or reseller) which minimizes price fluctuations however, it may not always be possible to do so. The Company may engage in hedging against commodity price increases; these practices reduce, but do not eliminate, the risk of negative profit impacts from commodity price increases. The Company will not be able to fully hedge against changes in commodity prices and the risk management procedures used may not always work as intended.

Reliance on Specific Contracts

A significant amount of the Company's product volume is sold through large retail chains, including supermarkets and wholesalers, and a single distributor. These retail chains are becoming more consolidated and, at times, may seek to use their purchasing power to improve their profitability by negotiating lower prices, increasing emphasis on generic and other private-label brands, and increasing promotional programs. Discount retailers continue to challenge traditional retail outlets, which could amplify such acts. These factors, as well as others, could have a negative impact on the availability of the Company's products, as well as its profitability. At times, a retailer may choose to temporarily discontinue sales of one or more of the Company's products as a result of a dispute the Company may be having with that retailer. Additionally, due to high levels of competition in the Company's product categories, certain key retailers may demand listing fees, increases on listing fees or other fee concessions for its products. A dispute with a large retailer that chooses not to sell certain products for a prolonged period of time, or a dispute with its key distributor, could adversely affect the Company's sales volume and/or financial results.

Industry Regulation

The manufacture and marketing of food products for human consumption is extensively regulated. The primary areas of regulation include the processing, packaging, storage, distribution, marketing, advertising, labeling, quality and safety of GreenSpace's food products, as well as the health and safety of its employees and the protection of the environment. In Canada, the Company will be subject to regulation by various government agencies, including the Canadian Food Inspection Agency, Agriculture and Agri-Food Canada, as well as various provincial and local agencies. The Company will also be regulated by similar agencies outside of Canada. Management cannot predict the nature of future laws, regulations, interpretations or applications, nor can it determine what effect either additional governmental regulations or administrative orders, when and if promulgated, would have on its business in the future. They could, however, require the reformation of certain products to meet new standards, the recall or discontinuance of certain products not able to be reformulated, additional record keeping, expanded documentation of the properties of certain products, expanded or different labeling and/or scientific substantiation. Changes in regulatory requirements (such as proposed labeling requirements), or evolving interpretations of existing regulatory requirements, may result in increased compliance cost, capital expenditures and other financial obligations that could adversely affect the Company's business or financial results. In addition, the marketing of food products for human consumption has come under increased scrutiny in recent years, and the food industry has been subject to an increasing number of legal proceedings and claims relating to alleged false or deceptive marketing under federal, provincial, state and foreign laws or regulations. Legal proceedings or claims related to the Company's marketing could damage its reputation and/or could adversely affect its business or financial results. Any or all of such changes, requirements, proceedings or claims could have an adverse effect on the Company's results of operations and financial condition.

Food Safety and Product Recalls

The sale of products for human use and consumption involves the risk of injury or illness to consumers. Such injuries may result from inadvertent mislabelling, tampering by unauthorized third parties or product contamination or spoilage. Under certain circumstances, the Company may be required to recall or withdraw products, suspend production of its products or cease operations, which may lead to an adverse effect on the Reporting Issuer's results of operations. In addition, customers may cancel orders for such products as a result of such events. Even if a situation does not necessitate a recall or market withdrawal, product liability claims might be asserted against the Company. While the Company is subject to governmental inspection and regulations and believes its facilities and those of its co-packers and suppliers comply in all material respects with all applicable laws and regulations, if the consumption of any of its products causes, or is alleged to have caused, a health-related illness the Company may become subject to claims or lawsuits relating to such matters. Even if a product liability claim is unsuccessful or is not fully pursued, the negative publicity surrounding any assertion that its products caused illness or physical harm, including the risk of reputational harm being magnified through news articles, blogs, chat rooms and social media sites, could adversely affect the Company's reputation with existing and potential customers and consumers and its corporate brand image. Moreover, claims or liabilities of this type might not be covered by insurance or by any rights of indemnity or contribution that the Company may have against others. The Company maintains product liability insurance in an amount that it believes to be adequate. However, the Company cannot be sure that it will not incur claims or liabilities for which it is not insured or that exceed the amount of its insurance coverage. A product liability judgement against the Company or a product recall could have a material adverse effect on the business, consolidated financial condition, results of operation or liquidity. Additionally, a failure by co-packers to comply with food safety, environmental, or other laws and regulations may disrupt the supply of products or may lead to claims and liabilities.

Dependence on Management and Key Personnel

The Company will strongly depend on the business and technical expertise of its management team and there is little possibility that this dependence will decrease in the near term. The loss of the services of such key personnel may have a material adverse effect on the Company's business, financial condition, results of operations and prospects. The contributions of the existing management team to the immediate and near term operations of the Company are likely to be of importance. In addition, there is competition for qualified personnel in the natural food industry and there can be no assurance that the Company will be able to continue to attract and retain all personnel necessary for the development and operation of its business.

Trademarks and Other Intellectual Property

GreenSpace considers its trademarks, particularly certain brand names and product packaging, advertising and promotion design and artwork to be of significant importance to its business and ascribes a significant value to these intangible assets. The Company will rely on trademark and other intellectual property laws and other arrangements to protect its proprietary rights. There can be no assurance that the steps taken by GreenSpace to protect any intellectual property rights will preclude competitors from developing confusingly similar brand names or promotional materials. GreenSpace has taken reasonable legal steps to ensure its proprietary rights do not infringe upon the proprietary rights of third parties, but there can be no certainty of its success in such protection measures or the impact of such costs on the Company's results of operations.

Management of Growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to properly manage growth may have a material adverse effect on the Company's business, financial condition, profitability, results of operations and prospects.

Issuance of Debt

From time to time, the Company may require additional funds on hand for working capital or other purposes. Transactions undertaken in pursuit of these funds may increase the Company's debt levels above industry standards for companies of similar size. Depending on future plans, the Company may require additional equity and/or debt financing that may not be available or, if available, may not be available on favourable terms to the Company. The level of the Company's indebtedness from time to time, could impair its ability to obtain additional financing on a timely basis in order to take advantage of business opportunities that may arise.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have often been unrelated to the operating performance, net asset values or prospects of particular companies. There can be no assurance that continuing fluctuations in price will not occur. It may be anticipated that any quoted market for the Company's shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. The value of the Company's shares will be affected by such volatility. A public trading market in the Company Shares having the desired characteristics of depth, liquidity and orderliness depends on the presence in the marketplace of willing buyers and sellers of Company Shares at any given time, which presence is dependent on the individual decisions of investors over which the Company has no control. There can be no assurance that an active trading market in securities of the Company will be established and sustained. The market price for the Company's securities could be subject to wide fluctuations, which could have an adverse effect on the market price of the Company. If an active public market for the Company's shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline.

Profitability

There is no assurance that the Company will earn profits in the future, or that profitability will be sustained. There is no assurance that future revenues will be sufficient to generate the funds required to continue the Company's business development and marketing activities. If the Company does not have sufficient capital to fund its operations, it may be required to reduce its sales and marketing efforts or forego certain business opportunities.

Foreign Exchange

The Company has some exposure to foreign currency exchange in the short term. The Company does buy a number of Central Roast raw materials from the United States and does have a number of Life Choices and Love Child products co-packed by US and European based co-packers. Consequently, the Company has exposure to foreign exchange through those transactions. The Company does enter into forward currency contracts to cover some of this exposure. As well, it factors the currency exchange into its pricing however if significant changes occur in foreign exchange rates, particularly the US dollar and Euro, the Company may realize compressed margins for a period of time until price increases could be successfully passed through to customers.

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 March 31, 2016	3-months ended March 31, 2015
	$	$
Gross profit	**383**	270
Add back non-recurring expenses		
Listing fees	**979**	13
Adjusted gross profit	**1,362**	**283**

	Year ended March 31, 2016	Year ended March 31, 2015
	$	$
Gross profit	**1,481**	545
Add back non-recurring expenses		
Listing fees	**1,045**	58
Adjusted gross profit	**2,526**	**603**

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

(expressed in thousands of Canadian dollars)

	3-months ended March 31, 2016	3-months ended March 31, 2015
	$	$
Net loss and comprehensive loss	**(1,887)**	(797)
Interest and accretion expense	**173**	60
Depreciation and amortization	**34**	-
EBITDA	**(1,680)**	**(737)**
Add back non-recurring expenses		
TSX listing fees	**27**	-
Legal expenses associated with the Qualifying Transaction	**-**	134
Auditing expenses associated with the Qualifying Transaction	**-**	63
Legal expenses associated with Equity Offerings and Acquisitions	**532**	-
Auditing expenses associated Equity Offerings and Acquisitions	**100**	-
Listing Fees	**979**	13
Restructuring Expenses	**60**	-
Adjusted EBITDA	**18**	**(527)**

	Year ended	Year ended
	March 31, 2016	March 31, 2015
	$	$
Net loss and comprehensive loss	**(5,289)**	(1,654)
Interest and accretion expense	**244**	128
Depreciation and amortization	**42**	-
EBITDA	**(5,003)**	**(1,526)**
Add back non-recurring expenses		
Reverse take-over listing fee	**991**	-
TSX listing fees	**99**	-
Legal expenses associated with the Qualifying Transaction	**111**	134
Auditing expenses associated with the Qualifying Transaction	**10**	63
Legal expenses associated with Equity Offerings and Acquisitions	**729**	-
Auditing expenses associated Equity Offerings and Acquisitions	**198**	-
Listing Fees	**1,045**	58
Restructuring Expenses	**90**	-
Adjusted EBITDA	**(1,730)**	**(1,271)**

OUTSTANDING SHARE DATA

As of June 21, 2016, the Company had 35,849,662 common shares issued and outstanding, 10,091,210 warrants convertible into 10,091,211 common shares of the Company and 1,429,144 options, convertible into 1,429,144 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 market, which will inevitably drive demand for the Company's brands and products in future periods. As reported by the 2014 NPN Journal Industry Report, organic food sales are growing at an annual rate of 14% as compared to conventional food sales growing at an annual rate less than 2%. Presently, organic food sales make up only 6% of consumer food purchases but with these varying growth rates, it is expected that organic and natural sales take a much larger portion of consumer food purchases over the next five years. Considering this the 2014 NPN Journal Industry Report expects that the Global organic food market will reach $210 billion by the year 2020 and over the next five years that market will have a cumulative average growth rate of 15.7%.

With these trends in mind, Management continues to be optimistic that this anticipated growth in the organic and natural food market will continue to drive demand for the Company’s developed products and provides a lot of opportunity for further expansion into new product offerings within acquired and existing brands. In particular, Management believes it is one of very few companies positioned to capitalize on the emerging grass-fed trend in Canada. Through its dairy brand, Rolling Meadow, and the Life Choices brand, the Company has carved out a niche in the Canadian grass-fed market, which it hopes to exploit with continued product and brand launches.

The Company continues to intend 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 to the market by the middle of the up-coming fiscal year. Secondly, the Company expects to grow through acquisition by making strategic investments in strong, simple ingredient businesses. Both the Love Child and Central Roast acquisitions completed in the previous fiscal year are great examples of the type of businesses that the Company is looking to acquire. Based on normalized Q4 results, the Company has an annualized gross revenue run-rate of approximately $30 million and has turned the corner to become an EBITDA positive business, after adjusting for one-time, non-recurring costs. With this larger revenue base management expects to leverage its strong customer relationships, utilize its distribution networks and realize on a number of synergistic cost savings through its up-coming fiscal year to continue to generate positive EBITDA and positive operating cash-flows. 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.