GREENSPACE BRANDS INC.

Management's Discussion and Analysis

For the three months and years ended March 31, 2017 and 2016

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, 2017 and 2016

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 years ended March 31, 2017 and 2016. 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 annual consolidated financial statements and accompanying notes for the year ended March 31, 2017, 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 June 21, 2017.

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, grass fed dairy, such as milk, yogurt, sour cream, 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 grass fed milk, provides improved omega ratios and contains no antibiotics or added hormones.
- Nudge – "Food Made Better" – is a line of snacking and convenience products that currently includes a line of organic macaroni and cheese products as well as premium fruit based, nut free bars for kids. Nudge Mac & Cheese is the first product of its kind in Canada to feature grass fed cheese. The Mac & Cheese and bar products are 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.

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. 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.

On January 18, 2017, the Company completed the acquisition of Nothing But Nature Inc. ("Nothing But Nature") which owns the Kiju brand. Nothing But Nature is a brand leader in the Canadian shelf stable organic juice segment. Nothing But Nature markets and distributes a variety of organic juices through major retailers and distributors in Canada and to a number of select U.S. customers. The brand focuses on providing consumers with sustainable, healthy drinks without compromising quality and taste.

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.

FOURTH QUARTER AND YEAR TO DATE CONSOLIDATED RESULTS

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

Consolidated Interim and Annual Statements of Operations and Comprehensive Loss

(expressed in thousands of Canadian dollars)	**For the 3-month period ended March 31,**				**For the year ended March 31,**			
	2017	**2016**	**Inc/(Dec)**	**Inc/(Dec)**	**2017**	**2016**	**Inc/(Dec)**	**Inc/(Dec)**
	$	$	**$**	%	$	$	$	%
Gross revenue	**12,945**	5,592	7,353	131.5	**41,959**	12,313	29,646	240.8
Less: rebates and discounts	**(1,485)**	(409)	-1,076	263.1	**(4,076)**	(1,064)	(3,012)	283.1
Less: listing fees	**(354)**	(979)	625	63.8	**(796)**	(1,045)	249	23.8
Net revenue	**11,106**	4,204	6,902	164.2	**37,087**	10,204	26,883	263.5
Cost of goods sold	**8,879**	3,578	5,301	148.2	**28,760**	8,452	20,308	240.3
Gross profit	**2,227**	626	1,601	256.1	**8,327**	1,752	6,575	375.3
Gross profit percentage	**20.1%**	14.9%			**22.5%**	17.2%		
Adjusted gross profit[1]	**2,580**	1,605	975	60.9	**9,123**	2,797	6,326	226.2
Adjusted gross profit percentage	**22.5%**	31.0%			**24.1%**	24.9%		
General and administrative	**573**	245	328	133.9	**1,962**	732	1,230	168.0
Storage and Delivery	**631**	220	411	186.8	**1,749**	636	1,113	175.0
Salaries and benefits	**826**	509	317	62.3	**3,040**	1,668	1,372	82.3
Advertising and promotion	**333**	119	214	179.8	**1,017**	575	442	76.9
Professional fees	**168**	730	(562)	(77.0)	**530**	1,284	(754)	(58.7)
Stock-based compensation	**41**	78	(37)	(47.4)	**198**	257	(59)	(23.0)
Amortization of intangible assets	**260**	115	145	126.1	**1,040**	143	897	627.3
Reverse take-over listing fee	**-**	-	-	-	**-**	991	(991)	(100.0)
Net income (loss) before interest expense, accretion expense, and income taxes.	**(605)**	(1,390)	785	56.5	**(1,209)**	(4,534)	3,325	73.3
Interest expense	**91**	66	25	37.9	**485**	137	348	254.0
Net loss before accretion expense and income taxes	**(696)**	(1,456)	759	52.1	**(1,694)**	(4,671)	2,977	63.7
Accretion expense	**95**	106	(11)	(10.4)	**1,326**	106	1,220	1150.9
Deferred income taxes (recovery)	**(69)**	(30)	(39)	(130.0)	**(276)**	(38)	(238)	(626.3)
Loss from continuing operations	**(722)**	(1,532)	813	53.1	**(2,744)**	(4,739)	1,995	42.1
Loss from discontinued operations	-	(439)	439	100.0	**(503)**	(654)	(151)	(23.1)
Net loss and comprehensive loss	**(722)**	(1,971)	1,252	63.5	**(3,247)**	(5,393)	2,146	39.8
EBITDA[1]	**(278)**	(1,241)	963	77.6	**38**	(4,349)	4,387	100.9
As a percentage of net revenue	**(2.5%)**	(29.5%)			**0.1%**	(42.6%)		
Adjusted EBITDA[1]	**344**	457	(109)	(23.9)	**1,394**	(1,077)	2,471	229.4
As a percentage of net revenue, excluding listing fees	**3.0%**	8.8%			**3.7%**	(9.6%)		

[1] See Non-IFRS Measures

Revenue

Gross revenue, for the fourth quarter-ended March 31, 2017, was the highest gross revenue amount ever earned by the Company in a single quarter. The fourth quarter revenue earned exceeded the full prior year gross revenue amount by $634. Gross revenue for the quarter-ended March 31, 2017 increased 131.5% and net revenue, which is gross revenue excluding deductions for rebates, discounts and one-time listing fees, increased 164.2% over the same period in prior year. Gross revenue for the year ended March 31, 2017 increased 240.8% and net revenue increased 263.5% over the prior year.

Consistent with previous quarters, the gross and net revenue increases in the quarter and for the full fiscal year, were the result of: i) GreenSpace legacy brands continuing to show strong revenue growth of 27.1% in the quarter and a 39.1% in the year, supporting continued strong consumer loyalty. There were numerous occasions over the year where a retailer added a legacy brand or expanded their product offering due to consumer demand; and, ii) revenue contributions from the Love Child, Central Roast and Nothing but Nature which were acquired on October 19, 2015, February 25, 2016 and January 18, 2017, respectively.

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

The Company's adjusted gross profit margin for the three-month period ended March 31, 2017, decreased compared to the adjusted gross profit margin seen over the same period in prior year. The decline was primarily due to: i) the Company experiencing a higher percentage of rebates and discounts due to a larger proportion of revenue being earned through the large Canadian retailers; ii) increased inventory write-offs associated with the launch of a number of new Rolling Meadow dairy product lines in the quarter; iii) larger proportion of revenue being earned through the Nothing but Nature and Central Roast brands, which have traditionally earned lower profit margins compared to Love Child; and iv) margin compression experienced within the Love Child brand as a number of suppliers have passed on price increases and not all had been passed on, through price increases, to customers. The Company's adjusted gross profit margin for the year ended March 31, 2017, decreased slightly when compared to the adjusted gross profit margins earned in prior year, primarily due to the factors experienced in the fourth quarter discussed above.

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.

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

Overall, SG&A expenses for the three months ended March 31, 2017 decreased from 45.2% of net revenue in the fourth quarter of fiscal 2016 to 23.1% of net revenue in the current quarter. Similarly, for year ended March 31, 2017, overall SG&A expenses decreased from 50.3% of net revenue through fiscal year 2016 to 22.9% in the current year. This evidences the Company's continued ability to hold its consolidated fixed costs constant and improve margins by spreading those fixed costs over a larger revenue base.

For the three months ended March 31, 2017 general and administrative expenses decreased from 5.8% of net revenue in the fourth quarter of fiscal 2016 to 5.2% of net revenue in the current quarter. For the year ended March 31, 2017, general and administrative expenses decreased from 7.2% of net revenue through fiscal year 2016 to 5.3% in the current year. Both the quarterly and yearly decreases were expected as a result of leveraging higher sales volumes over fixed general and administrative expenses. It is expected, as gross revenue continues to build, that general and administrative expenses should continue to decrease by at least another percentage point in future quarters.

For the three months ended March 31, 2017 storage and delivery expenses increased from 5.2% of net revenue in the fourth quarter of fiscal 2016 to 5.7% of net revenue in the current quarter. The increase experienced in the quarter was due to several additional costs associated with the new Central Roast distribution facility and beginning to consolidate the higher storage and delivery costs associated with Nothing but Nature which is an area the Company has begun to focus on for cost-saving synergies post-acquisition. For the year ended March 31, 2017, storage and delivery expenses decreased from 6.2% of net revenue through fiscal year 2016 to 4.7% in the current year. The current year-to-date percentage is closer to what the Company expects for the consolidated business on a go forward basis.

For the three months ended March 31, 2017 salary and benefits expenses decreased from 12.1% of net revenue in the fourth quarter of fiscal 2016 to 7.4% of net revenue in the current quarter. For the year ended March 31, 2017, salary and benefits expenses decreased from 16.3% of net revenue through the fiscal year 2016 to 8.2% in the current year. As discussed in prior periods, this decrease was expected as the business acquisitions, completed over the past year and a half, have provided the Company with the necessary revenue scale to support its fixed organizational overhead costs. As previously stated and evidenced through recent acquisitions, the Company's current organizational structure has been built to facilitate adding new brands through internal development or acquisition without adding incremental management headcount.

Advertising and promotional expenses were 3.0% of net revenue for the quarter ended March 31, 2017, which was comparable to the 2.8% of net revenue in the fourth quarter of last year. The slight increase in the quarter was due to the Company beginning to consolidate the higher advertising and promotional expenses associated with Nothing but Nature which is an area the Company has begun to focus on for cost-saving synergies post-acquisition. For the year ended March 31, 2017, advertising and promotional expenses decreased from 5.6% of net revenue through the fiscal year 2016 to 2.7% in the current year. The year-over-year improvement reflects the Company's continued effort 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 1.5% of net revenue compared to 17.4% over the same period in prior year. Annual professional fees decreased to 1.4% of net revenue from 12.6% in prior year. A substantial amount of the professional fees in the current quarter and year-to-date were incurred to complete the acquisition of Nothing but Nature, a number of public equity offerings and fees associated with the Company's new ABL operating facility. 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.

Consistent with previous quarters, the Company continues to recognize stock option expenses associated with the option awards grant by the Company's Board of Directors to all employees. As the grants are amortized using a graded vesting method it is not unexpected to see the stock based expense is reducing in the current quarter and fiscal year compared to the comparable periods in prior year.

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 current quarter and year ended March 31, 2017 compared to comparable 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 at the beginning of September 2016 and closing the ABL Facility at the beginning of October 2016. As a result of repaying these related party loans early the Company needed to accelerate the accretion expense recognized in the current year on these discounted liabilities. The accretion expense recognized is a non-cash expense and after repaying the majority of the discounted related party liabilities the Company is expecting much lower quarterly accretion expense going forward.

Adjusted EBITDA (see Non-IFRS Measures)

For the three months ended March 31, 2017, the Company reported Adjusted EBITDA of $0.3 million (3.0% of net revenue, excluding listing fees) which compares to an Adjusted EBITDA of $0.5 million (8.8% of net revenue, excluding listing fees) over the same period in prior year. For the year ended March 31, 2017 the Company reported Adjusted EBITDA of $1.4 million (3.7% of net revenue, excluding listing fees) which compares to an Adjusted EBITDA loss of $1.1 million ((9.6%) of net revenue, excluding listing fees) over the same period in prior year. The Adjusted EBITDA decline experienced in the quarter is primarily due to the adjusted gross margin compression discussed above. The year over year Adjusted EBITDA improvements were primarily the result of the Company obtaining the revenue scale necessary to be operationally profitable and implementing several cost cutting initiatives to realize on the benefits of acquisition synergies.

SELECTED QUARTERLY INFORMATION FROM CONTINUING OPERATIONS

(expressed in Canadian dollars)

Unaudited quarterly financial data for fiscal 2017 and fiscal 2016 are summarized as follows. Previously presented quarterly amounts have been adjusted to reflect only results from continuing operations. The sum of the net income per share from continuing operations for the four quarters in both fiscal 2017 and fiscal 2016 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-17	31-Dec-16	30-Sep-16	30-Jun-16	31-Mar-16	31-Dec-15	30-Sep-15	30-Jun-15
	$	$	$	$	$	$	$	$
Gross revenue	12,945	10,078	9,792	9,145	5,592	3,217	1,910	1,594
Less: rebates and discounts	(1,485)	(985)	(951)	(655)	(409)	(330)	(177)	(148)
Less: listing fees	(354)	(60)	(254)	(128)	(979)	(7)	(26)	(33)
Net revenue	11,106	9,033	8,587	8,362	4,204	2,880	1,707	1,413
Gross profit	2,227	2,024	1,958	2,109	625	667	288	172
Gross profit %	20.1%	22.4%	22.8%	25.2%	14.9%	23.2%	16.9%	12.2%
Adjusted gross profit[1]	**2,580**	**2,084**	**2,212**	**2,237**	**1,604**	**674**	**314**	**205**
Adjusted gross profit %	**22.5%**	**22.9%**	**25.0%**	**26.3%**	**31.0%**	**23.3%**	**18.1%**	**14.2%**
Net loss from continuing operations	(696)	(530)	(953)	(536)	(1,532)	(860)	(744)	(1,601)
Net loss per share from continuing operations – basic and diluted	(0.01)	(0.01)	(0.03)	(0.01)	(0.06)	(0.04)	(0.04)	(0.11)
EBITDA[1]	(278)	142	5	162	(1,242)	(779)	(737)	(1,589)
EBITDA % of net revenue	(2.5%)	1.6%	0.1%	1.9%	(29.5%)	(27.0%)	(43.2%)	(112.5%)
Adjusted EBITDA[1]	**344**	**290**	**394**	**360**	**457**	**(450)**	**(600)**	**(480)**
Adjusted EBITDA, as a percentage of net revenue excluding listing fees	**3.0%**	**3.2%**	**4.5%**	**4.2%**	**8.8%**	**(15.6%)**	**(34.2%)**	**(33.2%)**

[1]See Non-IFRS Measures

Certain of the Company`s product lines continue to have seasonal fluctuations. For example, sales of the Life Choices BBQ product lines are typically strongest during the warmer summer months. The recently acquired Kiju brand also has its strongest revenue months in the summer, while Love Child has shown some seasonality over the last year with weaker sales results appearing in the third quarter for two consecutive years. Sales of Holistic Choice pet food, Rolling Meadow dairy and Central Roast tend not to have any significant seasonal fluctuations.

It is expected that revenue in the second quarter will likely be strongest, particularly after the acquisition of Nothing But Nature. 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,	
	2017	**2016**
Cash provided by (used for)	**$**	$
Operating activities	**(2,932)**	(4,838)
Investing activities	**(6,723)**	(9,877)
Financing activities	**9,655**	14,715
Net increase (decrease) in cash	**-**	-
Cash - beginning of period	**-**	-
Cash – end of period	**-**	-

During the fourth quarter-ended March 31, 2017, the Company, for the first time in its history, earned positive operating cash-flow of $321. During the quarter, cash was primarily utilized in investing activities to acquire Nothing but Nature and the Company financed the acquisition by completing an equity financing at the beginning of January 2017 and obtaining funding through warrants being exercised.

Cash flow from continuing operations consumed $2.9 million for the year ended March 31, 2017 (2016 - $4.8 million). The negative operating cash-flow for fiscal 2017 was primarily the result of the Company investing in working capital, specifically inventory and accounts receivable, during this period of growth. Cash was utilized in investing activities to acquire Nothing but Nature, office furniture, equipment and invest in product development over the year ended March 31, 2017 (2016 – $9.8 million). The Company financed its working capital and investing cash needs by completing a number of equity financings, additional debt financing and obtaining funds through a number of outstanding warrants being exercised. During the year ended March 31, 2017, the Company repaid various related party loans and VTBs from the acquisitions of Love Child and Central Roast.

LIQUIDITY AND CAPITAL RESOURCES

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.

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.

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 was 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.

In November 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

Loans from Related Parties

	March 31, 2017	March 31, 2016
Love Child VTB Notes (i)	**-**	816
Love Child Earn-out Shares (ii)	**666**	557
Central Roast VTB (iii)	**-**	211
Central Roast Net Working Capital Settlement (iv)	**-**	293
Central Roast Earn-out Consideration (v)	**427**	1,281
Central Roast Deferred Consideration (vi)	**-**	3,912
Central Roast loan from related parties at purchase (vii)	**-**	793
Promissory note to shareholder (viii)	**-**	400
Nothing But Nature Earn-Out Consideration (ix)	**298**	-
	1,391	8,263
Less amounts due within one year	**1,391**	4,432
Loans from related party - non current	**-**	3,831

i) Love Child VTB Notes was fully repaid on September 2, 2016 with the closing of September Equity Financing.

ii) At March 31, 2016 and at March 31, 2017, the probability of Love Child achieving those gross revenue targets has been set at 100%. The Earn-out Shares are issuable after the financial results from the quarter-ended September 30, 2017 are publicly released. Discounted at the rate of 16%, accretion expense recognized for the year is $108 (2016 - $nil).

iii) Central Roast VTB was fully repaid during the year ended March 31, 2017 with equal monthly instalments. Accretion expense recognized for the year is $20 (2016 - $nil)

iv) Central Roast Net Working Capital Settlement was fully repaid by July 2016.

v) Earn-out consideration valued at up to $1,500 was discounted to be $1,262 with discount rate of 16%.

On February 25, 2017, the Earn-out Consideration was revalued to be $1,228 and was settled as follows:

- $500 in cash;
- $300 in common shares; each common share valued at the 20-trading day volume weighted average price prior to issuance;

Subsequent to March 31, 2017, the remaining $427 earn-out obligation was settled with the issuance of 263,714 Common Shares at a price of $1.62 per share. The Common Shares were valued at the 20-trading day volume weighted average trading price prior to the required issuance date. Accretion expense recognized for the year is $219 (2016 - $nil).

vi) $4,500 in Deferred Consideration has been discounted using a discount rate of 16% with a value of $3,834. On September 2, 2016, $1,100 of the Deferred Consideration was repaid with the closing of September Equity Financing.

With the closing of ABL Facility (Note 14) on October 7, 2016, the remainder of the Deferred Consideration was repaid as follows:

- $2,100 in cash;
- $400 of the cash repayment was settled with issuance of 337,622 shares valued at the volume weighted average price of the shares for 20 consecutive trading days prior to the date of issuance.
- $792 of common shares settled with the issuance of 668,492 shares valued at the volume weighted average price of the shares for 20 consecutive trading days prior to the date of issuance.
- $108 of unit warrant was repaid in cash

An accelerated accretion expense of $589 was recognized within the consolidated statement of operations and comprehensive loss for the year ended March 31, 2017 (2016: $nil).

vii) As part of the acquisition of Central Roast (see note 6(ii)), the Company acquired two loans totaling $862 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. The loans has been discounted using a discount rate of 16% with a value of $793. These two acquired loans have been secured against assets of the Company along a personal guarantee from the Company's Chief Executive Officer ("CEO"). These related party loans were repaid and the CEO's personal guarantee released after completing the September Equity Financing. Accretion expense recognized for the year is $69 (2016 - $nil).

viii) 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. The notes were converted into 521,739 common shares on March 2, 2017.

ix) Nothing But Nature Earn-out consideration will be settled in common shares before March 31, 2018. Earn-out amount of $331 discounted at 16% to be $289 as of January 18, 2017. Accretion expense recognized for the year was $10 (2016 - $nil).

Transactions with Related Parties

The Company has a lease arrangement for office space with a shareholder of the Company. The Company paid rent expense of $120 during year ended March 31, 2017 (2016 – $60).

The Company has an outstanding balance of $159 at March 31, 2017 (March 31, 2016 - $169) 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 March 31, 2017, $220 (March 31, 2016 - $161) was due to that meat broker. The balance was included in accounts payable and accrued liabilities. For the year ended March 31, 2017 total purchases from that meat broker amounted to $1,871 (2016 - $581). 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, 2017, $38 was owed by the unrelated company controlled by a common shareholder (March 31, 2016 – $38). The amount owed is non-interest bearing with no specified terms of repayment.

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)	Years ended	
	March 31, 2017	March 31, 2016
Salary and director fees	$775	$799

SUBSEQUENT EVENTS

Stock Option Grant

On June 21, 2017, the Board of Directors of the Company approved the granting of incentive stock options (the "Options") pursuant to the terms of the Corporation's stock option plan to a number of employees to acquire up to an aggregate of 91,909 common shares in the capital of the Company.

All Options granted to the employees are exercisable for a period of ten years at a price of $1.27 per common share. These Options vest over a five-year period with 20.0% of the Options vesting one year after the date of the grant and the remainder vesting 20.0% annually thereafter.

Exercise of Options and Warrants

Subsequent to March 31, 2017, the Company had 262,501 Broker Options exercised (Note 15(c)(iii)) resulting in the issuance of 262,501 additional common shares for cash proceeds of $357.

Subsequent to March 31, 2017, the Company had 351,629 Warrants exercised (Note 15(d)) resulting in the issuance of 351,629 additional common shares for cash proceeds of $385.

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, 2017 and the audited annual consolidated financial statements for the year ended March 31, 2017.

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, 2017 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
Product Recipes	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

In July 2014, the IASB issued in its final form IFRS 9 - Financial Instruments (IFRS 9) which replaces IAS 39 - Financial Instruments: Recognition and Measurement. IFRS 9 establishes principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. This new standard is effective for the Company's interim and annual Consolidated Financial Statements commencing January 1, 2018. The Company is in the process of reviewing the standard to determine the impact on the consolidated financial statements.

IFRS 15 – Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 - Revenue from Contracts with Customers (IFRS 15), which covers principles for reporting about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. IFRS 15 is effective for annual periods beginning on or after January 1, 2018, with earlier adoption permitted. Entities will transition following either a full or modified retrospective approach. The Company is in the process of reviewing the standard to determine the impact on the consolidated financial statements.

IFRS 16 – Leases

In January 2016, the IASB 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 the consolidated financial statements.

Amendments to IFRS 2 - Share-based Payments

In June 2016, the IASB issued amendments to IFRS 2 - Share-based Payments (IFRS 2), clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for: the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; share-based payment transactions with a net settlement feature for withholding tax obligations; and a modification to the terms and conditions of a share-based payment that changes the classification from cash-settled to equity-settled. The amendments to IFRS 2 are effective prospectively for annual periods beginning on or after January 1, 2018, with earlier adoption permitted. The Company is currently in the process of reviewing the standard to determine the impact on the annual consolidated financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued, but have future effective dates, are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

The Company does not intend to adopt any of these standards before their respective effective dates.

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 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 were to 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, 2017	3-months ended March 31, 2016	**Year ended March 31, 2017**	Year ended March 31, 2016
	$	$	**$**	$
Gross profit	**2,229**	626	**8,327**	1,752
Add back non-recurring expenses				
Listing fees	**354**	979	**796**	1,045
Adjusted gross profit	**2,583**	1,605	**9,123**	2,797

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, 2017	3-months ended March 31, 2016	**Year ended March 31, 2017**	Year ended March 31, 2016
	$	$	**$**	$
Net loss and comprehensive loss	**(723)**	(1,972)	**(3,247)**	(5,393)
Interest and accretion expense	**186**	172	**1,811**	243
Depreciation and amortization	**328**	149	**1,247**	185
Deferred income tax recovery	**(69)**	(30)	**(276)**	(38)
Loss from discontinued operations	**-**	440	**503**	654
EBITDA	**(278)**	(1,241)	**38**	(4,349)
Add back non-recurring expenses				
TSX listing fees associated with Equity Offerings	**68**	27	**118**	99
Legal expenses associated with the Qualifying Transaction	**-**	-	**-**	111
Auditing expenses associated with the Qualifying Transaction	**-**	-		10
Legal expenses associated with Equity Offerings and Acquisitions	**37**	533	**171**	728
Auditing expenses associated with Equity Offerings and Acquisitions	**28**	99	**80**	198
Listing Fees	**354**	979	**796**	1,045
Restructure Cost	**135**	60	**191**	90
Reverse take-over listing fee	**-**	-	**-**	991
Adjusted EBITDA	**344**	457	**1,394**	(1,077)

OUTSTANDING SHARE DATA

As of June 21, 2017, the Company had 55,665,354 common shares issued and outstanding, 7,960,831 warrants convertible into 7,960,831 common shares of the Company and 1,736,317 stock options, convertible into 1,736,317 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 Canadian natural and organic food markets generates sales of approximately $4.0 billion and although it has tripled over the past decade, it still only represents 1.7% of total food sales in Canada which is well below the 4.3% run rate of natural and organic foods in the U.S..

As a result of this Management continues to be optimistic that 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 evidenced by several new distribution wins announced over the last three quarters. In particular, Management believes that the Company 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 tripling in size of the Canadian natural and organic food market over the last decade has been driven by a number of new entrants, creating a highly fragmented competitive landscape. The Company really hopes to take advantage of this and 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. The Nothing But Nature acquisition completed subsequent to quarter end is a perfect example of the type of businesses that the Company is looking to acquire.

With its increasing revenue base and numerous new distribution wins management expects to continue to generate positive adjusted EBITDA margins 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 August 16, 2016 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.