GINGER BEEF CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Three months ended March 31, 2017
May 30, 2017

INTRODUCTION

How to use this Management's Discussion and Analysis

The following management's discussion and analysis ("MD&A") as at May 30, 2017, is intended to help readers understand Ginger Beef Corporation (the "Company"), its history, business environment, strategies, performance and risk factors from the viewpoint of management. It should be read in conjunction with the condensed financial statements and the accompanying notes for the three months period ended March 31, 2017 and the financial statements and the accompanying notes for the years ended December 31, 2016 and 2015. The following comments may contain management estimates of anticipated future trends, activities or results; these are not a guarantee of future performance, since actual results could change due to factors or variables beyond management control.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls, and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable.

Forward Looking Statements

Statements contained in the MD&A, which are not based on historical fact, including without limitation, statements containing the words "may", "will", "plans", "intends", "expects", "projects", "anticipates", "believes", "estimate", "continue" and similar expressions, constitute "forward looking information" within the meaning of applicable Canadian securities laws. Forward looking statements contained in this document may involve, but are not limited to, statements relating to the Company's objectives, priorities, strategies, actions, targets, expectations and outlook. Forward looking statements are necessarily based upon assumptions and predictions with respect to the future, including but not limited to the factors referred to below. As a result, forward looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, events or developments to be materially different from any future results, events or developments expressed or implied thereby. These risks, uncertainties and other factors include, but are not limited to, changes in the consumer packaged goods industry and external market factors, as well as the factors referred to in the Company's Annual Information Form, and its other filings with the applicable Canadian securities regulatory authorities. In light of these uncertainties, assumptions and risks, readers are cautioned not to place undue reliance on such forward looking statements. Except as required by law, the Company assumes no obligation to update or revise such information to reflect later events or developments.

DESCRIPTION OF BUSINESS

The Company was incorporated under the Business Corporations Act (Alberta) on April 26, 2000, and was listed on the Canadian Venture Exchange ("CVE") effective June 1, 2001, as a Capital Pool Company ("CPC") and was continued on the TSX Venture Exchange ("TSX-V").

On September 13, 2002, the Company changed its name to Ginger Beef Corporation and completed its Qualifying Transaction (the "QT") to acquire all of the outstanding shares of Ginger Beef Express Ltd. ("Express"). The QT was accounted for as a reverse takeover, and upon approval by the TSX-V, the Company began to trade effective September 27, 2002 under the trading symbol "GB".

Ginger Beef Corporation is a food company based in Calgary, Alberta, which operates through two wholly-owned subsidiaries, Ginger Beef Express Ltd., ("Express") and Ginger Beef Choice Ltd. ("Choice"). Express oversees a number of franchised take out/delivery service restaurants in Alberta, while Choice produces a number of frozen and ready-to-serve deli Chinese food products for distribution to retail outlets. After the modernization of its facility in the winter of 2002, the Company was certified and granted a license by the Canadian Food Inspection Agency that allows the Company to ship its products, fresh or frozen, to all provinces in Canada.

The Company has been actively engaged in the development of new food products, as well as in the improvement of its existing product lines in order to increase its market share.

OVERALL PERFORMANCE

The Company's gross revenue in the first three months of 2017 was $1,340,705 compared to $1,297,618 for the same period in 2016. The Company's net income in the first three months of 2017 was $56,796 or $0.00 per share, compared to net income of $92,117 or $0.01 per share in the first three months of 2016.

The Company's gross revenue in the last several quarters stayed relatively stable. Quarterly net income in 2017 and 2016 were much higher than those in 2015 and previous years due to improved gross margin resulting from selling price adjustment made during first quarter of 2016. Net income was decreased by $35,321 for the first three month of 2017 as compared to the same period in 2016 resulting from surge in chicken prices and higher advertising fees incurred.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Results of Operations

The Company's gross revenue in the first three months of 2017 was $1,340,705, 3.3% higher than the same period in 2016.

Deli Chinese food products sale

The Company's deli Chinese food products are sold nationally across Canada. Gross revenue in the first three months in 2017 was $1,278,846, 3.8% higher than in the same period of 2016. The increase was within the range of normal movement in sales among its customers.

Royalties and franchise fees

The Company's other source of revenue, royalties and franchisee fees had experienced some good results. Net royalties and franchise fees in the first three months of 2017 were $61,859, 5.63% lower than in 2016. The change was in the normal business conditions.

Cost of sales and gross profit

The Company's gross profit in the first quarter ended March 31, 2017 was $ 324,518 or 25.4% of gross revenue compared to $ 376,814 or 29.9% of gross revenue in the same period of 2016. The decrease in profit margin in the first quarter of 2017 was primarily due to surge in chicken prices, one of the major raw materials the Company consumed.

Operating expenses

The Company's sales and marketing expenses in the first three months of 2017 increased by 62.3% to $ 38,509 compared to the same period in 2016. The increase was due primarily to the increase in advertising fees from one of its largest customers.

General and administrative ("G&A") expenses in the first quarter ended March 31, 2017 decreased to $ 223,440, compared to $257,823 in the same period of 2016. The decrease in G&A was primarily due to some repair and maintenance costs incurred in the first quarter of 2016 that had not been capitalized.

Net income/ (loss), EBITDA and earnings per share

The Company's net income in the first three months of 2017 was $ 56,796 or $ 0.00 per share, compared to net income of $ 92,117 or $ 0.01 per share for the same period in 2016. The Company's EBITDA in the first quarter ended March 31, 2017 was $ 126,925, compared to $157,859 in 2016. The decreased EBITA was duly because of increased chicken raw material prices.

Management believes that EBITDA, in addition to net income, provides investors with a basis to evaluate the Company's operating performance, its ability to incur and service debt and fund capital expenditures.

There is no prescribed standardized meaning for EBITDA under IFRS and, therefore, EBITDA is a non-IFRS financial measure that may not be comparable to similar measures presented by other companies.

Cash flow and working capital

Cash received from the Company's operating activities in the first quarter ended March 31, 2017 was $171,367, compared to cash outflow of $ 71,141 in the same period of 2016. The improved cash flow was primarily due to reduced level of inventory and timing differences in the payments to its suppliers.

Cash used in financing activities in the first three months of 2017 includes a net reduction of $ 84,538, mainly due to the redemption of its common shares.

Expenditures on property, plant and equipment totaled 71,131 in the first three months of 2017, compared 141 in the same period in 2016. The increase was primarily due to the replacement of old equipment and additional leasehold improvements.

Trade receivables and trade payables

The Company's accounts receivables totaled $626,130 at March 31, 2017, compared to $ 497,963 at December 31, 2015. Under normal operating conditions, receivables and payables levels may increase or decrease by as much as 25% in a given period depending on the timing of sales orders, purchases and payments.

Inventories

The Company's total inventories were $ 244,110 as at March 31, 2017, compared to $ 370,682 as at December 31, 2016.

The decrease in inventory was because the Company stockpiled much higher inventory level in the first quarter of 2016 in case the plant needed to shut down under certain conditions. This strategy was no longer employed in the first quarter of 2017.

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Summary of Quarterly Results

	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015
Gross revenue - deli Chinsese food products (in $000's)	1,279	1,401	1,419	1,382	1,232	1,290	1,349	1,452
EBITDA	126,925	29,851	144,403	132,319	157,859	132,100	57,966	39,597
Net income (loss) ($)	56,796	(12,963)	74,388	70,380	92,117	45,904	22,104	1,795
Net income (loss) per share ($)	0.004	(0.001)	0.005	0.005	0.007	0.003	0.002	0.000

Variability in the Company's gross revenue of deli Chinese food products is due in part to the timing and level of the Company and competitors' promotional activities and the launch of new products.

Variability in the Company's earnings is due to changes in sales levels and commodity costs, and the timing of expenditures. The costs of certain raw materials, including beef and pork, were significantly higher in recent quarters in comparison to historical levels, negatively impacting gross profit, EBITDA and net income. Higher commodity prices can be partially recovered through higher product selling prices, subject to delays in implementation of such increases, within the limits of market and consumer acceptance and competition from other Chinese food products. The Company has increased its selling prices in the first quarter of 2017. The Company expenses new product launch costs, including new product listing fees, as incurred and this causes variability in reported results depending on when new products are developed and released. The level of consumer marketing expenditures incurred by the Company fluctuates between quarters, contributing to variability in earnings by reporting period.

The Company purchases some of the raw materials at prices denominated in U.S. dollars. As a result, the Company is exposed to the effects of fluctuations in exchange rates between Canadian and U.S. dollars. The resulting realized and unrealized foreign exchange gains and losses also contribute to variability in earnings from one period to the next.

Outlook for 2017

Despite reporting net income in 2016 and 2015, the Company continues to face challenges. The strong competitive pressures experienced on deli Chinese food products in 2016 are anticipated to continue. The prices of certain inputs, such as chicken and beef are expecting to continuously increase going forward.

The Company is continuing to focus on launching innovative products and broadening geographic distribution of its products to mitigate the challenges described. Increased product development and launch costs are expected in 2017, and there is no certainty that the incremental sales from these new products will exceed costs.

Liquidity and Capital Resources

The Company's bank financing is comprised of the following:

(a) A demand operating revolving line of credit to a maximum of $300,000 with the Royal Bank of Canada with interest at Royal Bank Prime plus 1.75% secured by a general security agreement. The Company uses this facility to fund working capital. As at March 31, 2017, there was no outstanding balance on this facility.

This bank financing is secured by a general assignment of trade receivables, inventories and issuance of demand debentures that create a fixed and floating charge over all the Company's assets and is subject to the Company maintaining compliance with certain financial and non-financial covenants.

Management expects that cash flow from operations together with available credit will be adequate to maintain current operations and fund sustaining capital expenditures for 2017.

The Company's contractual commitments at March 31, 2017 require the following payments:

	Total	2017	2018	2019	2020	2021 and beyond
Mortgage payable	$120,181	$66,433	$53,748	-	-	-
Capital lease obligation	$128,136	$23,843	$29,798	$29,798	$29,798	$14,899
Total	$248,317	$90,276	$83,546	$29,798	$29,798	$14,899

Risks and Uncertainties

The uncertainties and risk factors described below are those that may significantly affect the Company's financial position or results of operations. Not all contingencies and risks have been addressed, and the risks or uncertainties may not materialize or occur in the manner expected or have the anticipated consequences described herein.

Competition

The Company competes with large food companies that have greater resources than the Company. To the extent that these competitors are able to produce competitive products at a lower cost and utilize larger financial, distribution and marketing resources, the Company may be required to make significant expenditures to improve or even maintain its competitive position.

Customer concentration

The Company's customers consist primarily of grocery stores, mass merchandisers and club stores across Canada. The Canadian grocery market is highly concentrated. The largest Canadian retailers have significant buying power, and can have significant negotiating leverage over suppliers such as the Company. The Company's three largest customers comprise approximately 69.9% of gross revenue.

Commodities

The Company's major inputs, such as beef, pork, chicken, are commodities that experience supply and price volatility. Management continually evaluates the long-term availability of these inputs in conjunction with its forecasted production needs. Higher commodity prices can be partially recovered through higher product selling prices, subject to possible delays in implementation of such increases, within the limits of market and consumer acceptance and competition from other beverage and food products.

Foreign currency

The Company is exposed to currency risk on purchases of inventory from the U.S. for processing. As a result, the Company is exposed to financial risk, including from fluctuations in the U.S. dollar exchange rate and a change in the currency exchange rates between the Canadian dollar and the U.S. dollar could have a material effect on the Company's reported results of operations, financial position and cash flows.

Product liability

All food-processing companies are exposed to the risks inherent in the safety and integrity of their products. If such a safety risk were to materialize, it could result in an expensive product recall that could severely damage the Company's reputation. Consequently, The Company maintains liability insurance coverage as a producer and has other coverage consistent with current industry practices.

Regulatory matters

The production and distribution of food products and the impact of these activities on the environment are subject to legislation and regulations. If a law or regulation were amended, the resulting impact would depend on the Company's ability to adapt, comply and assume any related costs. The Company believes that its production and distribution activities, and their environmental impact, currently comply in all material respects with major government laws and regulations and also believes that it has all the permits and licenses required by the nature of its activities.

Crisis management and business continuity

The Company has developed crisis management and business continuity plans for its operations. The plans include back-up physical locations in the event of a disaster, generators in the event of power failures and back-up systems.

Insurance and claims

The Company is engaged in certain claims and legal actions in the ordinary course of business. The Company limits its exposure to such risk by holding insurance to cover the risk of claims related to its operations through a comprehensive insurance program and by securing insurance with reputable and financially stable insurers.

Laws, taxation and accounting

Changes made to taxation and other laws, regulations, rules and policies that affect the Company, as well as new accounting requirements of the relevant authorities may materially affect the Company's financial and operating performance.

Financial Instruments

The Company's financial instruments include cash, trade and other receivables, trade and other payables, and loans and borrowings for which the carrying values approximate fair values. The Company's financial instruments are exposed to certain financial risks, including currency, credit, liquidity and interest rate risk.

(a) **Currency risk**

The Company is exposed to currency risk on purchases of inventory for processing to the extent that the payment of foreign denominated accounts payable are subject to fluctuations in the foreign exchange rate. A significant change in the value of the Canadian dollar relative to the U.S. dollar could have a material effect on the Company's results of operations, financial position and cash flows. Foreign currency risk is managed in accordance with the Company's treasury policy, the objective of which is to partially mitigate the impact of foreign exchange rate fluctuations on the Company's results of operations, financial position and cash flows. Under this policy, the Company may enter into foreign currency forward purchase contracts to manage foreign currency risk associated with anticipated future cash flows.

(b) **Credit risk**

Credit risk is the risk of an unexpected loss if a customer or a third party to a financial instrument fails to meet its contractual obligations. Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company will grant credit. A majority of the Company's customers are long-established retailers and food manufacturers in Canada and most have been transacting with the Company for several years.

(c) **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by maintaining financial forecasts as well as long-term operating and strategic plans. Managing liquidity requires monitoring of projected cash inflows and outflows using forecasts of the Company's financial position to ensure adequate and efficient use of cash resources. The appropriate liquidity level is established based on historical volatility and seasonal requirements, as well as planned investments and debt maturity requirements.

(d) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the company's long term loan is bearing fixed interest, change in interest rates will have impact on its fair value of the long term loan the Company borrowed.

There has been no change to these risks or managements' program to manage these risks during the three months ended March 31, 2017.

Off-Balance Sheet Arrangements

As at March 31, 2017, the Company had no off-balance sheet obligations that have or are likely to have a current or future material effect on the Company's results of operations or financial condition.

Critical Accounting Estimates

Management considers an accounting estimate critical if it requires assumptions to be made that were highly uncertain at the time the estimate is made and if changes in the estimate or different estimates that may have been selected could have a material impact on the Company's results of operations or financial position.

The Company' most critical accounting estimates are as follows;

(i) Income taxes
The amounts recorded for deferred income taxes are based on estimates as to the timing of the reversal of temporary differences and tax rates currently substantively enacted. They are also based on estimates of the probability of the Company utilizing certain tax losses in future periods and tax rates applicable to those periods.

(ii) Inventory:
In determining the lower of cost and net realizable value of inventory and in establishing the appropriate impairment amount for inventory obsolescence, management estimates the likelihood that inventory carrying values will be affected by changes in market pricing or demand for the products and by changes in continuance of new products, new products or new packaging design which could make inventory on hand obsolete or recoverable at less than the recorded value. Management performs regular reviews to assess the impact of changes in products and packaging, sales trends and other changes on the carrying value of inventory. Where it is determined that such changes have occurred and will have an impact on the value of inventory on hand, appropriate adjustments are made. If there is a subsequent increase in the value of inventory on hand, reversals of previous write-downs to net realizable value are made. Unforeseen changes in these factors could result in additional inventory provisions, or reversals of previous provisions, being required.

The judgments critical to the determination of carrying value of assets and liabilities are discussed below:

(iii) Property, Plant and Equipment
Judgment is used in estimating useful lives and residual values of each component of an item of property, plant and equipment. Useful lives are utilized to most closely reflect the expected pattern of consumption of economic benefits embodied in the assets. Estimated useful lives and residual values of property, plant and equipment are reviewed at least annually and adjusted if appropriate. Any changes are accounted for prospectively.

Future Accounting Changes

The International Accounting Standards Board and International Financial Reporting Interpretations Committee have issued a number of new standards, amendments to standards and interpretations that became effective January 1, 2017 and have been applied in preparing the Company's condensed consolidated financial statements for the quarter ended March 31, 2017. None of the foregoing had a significant effect on the consolidated financial statements of the Company.

Outstanding Shares

As of May 30, 2017, the Company had 13,361,997 issued and outstanding common shares. The Company announced on February 15, 2017 that it had filed with the TSX Venture Exchange a Notice of Intention to Make a Normal Course Issuer Bid which was expected to commence on February 21, 2017 and terminate on February 20, 2018 or the earlier of the date all shares which are subject to the Normal Course Issuer Bid are purchased.

The Company intends to attempt to acquire up to an aggregate of 683,540 of its Common Shares over the next 12-month period, representing approximately 5% of the issued and outstanding Common Shares of Ginger Beef.

Purchases subject to the Normal Course Issuer Bid will be carried out pursuant to open market transactions through the facilities of the TSX Venture Exchange. The Member through which the Normal Course Issuer Bid will be conducted is Raymond James Ltd., Calgary, Alberta. All Common Shares purchased by Ginger Beef under the Normal Course Issuer Bid will be cancelled. As of May 30, the Company has acquired for cancellation 309,000 common shares at an average price of $0.18.

Transactions with Related Parties

Transactions with related parties include management service fees received; product costs, sharing of promotional costs, product sales, franchise fees and royalties received from related franchisees according to terms outlined in the individual franchise agreements. These are considered to be in the normal course of business and were recorded at the exchange amount used by the Company under normal business terms.

As at March 31, 2017, a net amount of $121,759 was receivable from related parties. This amount consisted of $50,979 due from related franchisees and $70,780 from companies controlled by related parties.

During the three-month period ended March 31, 2017, the Company's revenues included product sales to related parties of $40,485 ($50,450 for the same period in 2016), and royalties charged of $19,925 ($18,821 for the same period in 2016).

Key management personnel compensation paid during the first quarter ended March 31, 2017 comprised salaries of $86,100 (2016 - $86,100) and benefits of $5,743 (2016 - $5,743).

Controls and Procedures

There have been no changes in Internal Control over Financial Reporting ("ICFR") in 2017 that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

Additional Information

Additional information relating to the Company's operations can be found in the Company's Annual Information Form, filed with all applicable Canadian securities commissions and available from the Canadian Securities Administrator's website at www.sedar.com.