Management's Discussion and Analysis of

GOODFOOD MARKET INC.

For the three-month and nine-month periods ended May 31, 2017

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Basis of Presentation

The following has been prepared for the purposes of providing Management's Discussion and Analysis ("MD&A") of the financial condition of Goodfood Market Inc. ("Goodfood" or "the Company") as at May 31, 2017 and August 31, 2016, and the operating results of the Company for the three-month and nine-month periods ended May 31, 2017.

This MD&A and the related financial statements of the Company are the MD&A and financial statements of the Company and not of Goodfood Market Corp., the resulting issuer resulting from the Amalgamation and reverse take-over transaction described within the "Subsequent Events" section of this MD&A. Applicable securities legislation requires that this MD&A and the related financial statements of the Company be filed as the Company is the reverse take-over acquirer and the financial periods in question ended prior to the date of completion of the reverse-take over transaction but subsequent to the date of the financial statements included in the Filing Statement filed under Goodfood Market Corp.'s profile on SEDAR (the "Filing Statement").

This MD&A was prepared on July 12, 2017 with information available at this date. All references in this MD&A to Fiscal 2016 are to the Fiscal year ended August 31, 2016 and to Fiscal 2017 are to the Fiscal year ending August 31, 2017. This document should be read in conjunction with the audited annual financial statements and notes thereto for the year ended August 31, 2016, and the condensed interim financial statements for the three-month and nine-month periods ended May 31, 2017 and 2016. All amounts herein are expressed in Canadian dollars unless otherwise indicated. All financial information presented in this MD&A is prepared in accordance with International Financial Reporting Standards ("IFRS"). Certain financial measures used in this MD&A do not have any standardized meaning under IFRS, including "Gross merchandise sales", "Adjusted gross profit", "Adjusted gross margin", "EBITDA", "Adjusted EBITDA", "Adjusted EBITDA margin", "Adjusted net loss" and "Adjusted loss per share". For a reconciliation of these non-IFRS financial measures to the most comparative IFRS measure, see the "Metrics and Non-IFRS Financial Measures" section of this MD&A.

Forward-Looking Statements

This MD&A may include forward-looking statements regarding Goodfood, its business, operations or results. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "is expected", "expects", "scheduled", "intends", "contemplates", "anticipates", "believes", "proposes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements, by their very nature, are subject to inherent risks and uncertainties and are based on assumptions, both general and specific, which give rise to the possibility that actual results or events could differ materially from expectations expressed in, or implied by, such forward-looking statements. These statements also involve known and unknown risks, uncertainties and other factors, including factors that are beyond Goodfood`s control, that may cause actual results or events to differ materially from those expressed in such forward-looking statements. Forward looking statements reflect Goodfood's then current views with respect to future events based on certain material facts and assumptions. Although Goodfood believes that the assumptions on which such forward-looking information is based are reasonable at the time they are made, there can be no assurance that such facts or assumptions will prove to be correct and undue reliance should, therefore, not be placed on any forward-looking information. Forward-looking events and circumstances may not occur at all or by specified or anticipated dates. Events and/or results could differ materially as a result of known and unknown risks and uncertainties affecting Goodfood, including, without limitation, risks regarding the food industry, economic factors, the equity markets generally, changes in regulatory environment or law, failure to obtain required approvals and risks associated with growth and competition in addition to other risks identified in publicly filed documents under Goodfood`s profile at www.sedar.com as well as other unknown risks. Forward-looking statements speak only as of the date on which they are made and Goodfood undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Company Overview

Goodfood is a fast-growing meal subscription service company, delivering fresh ingredients that make it easy for subscribers to prepare delicious meals at home every week. Goodfood's objective is to take the hassle out of cooking, leaving subscribers with the fun part - cooking, sharing with family and eating. Subscribers select their favorite recipes from a variety of original dishes online. The Company prepares a personalized box of fresh ingredients and delivers it to the subscriber's doorstep with easy step-by-step instructions. Headquartered in Montréal, Canada, Goodfood had 23,000 Active subscribers as of May 31, 2017 and has over 300 employees.

Third Quarter and Year-to-Date Fiscal 2017 Highlights

Three-month period ended May 31, 2017

- Revenues reached $6,428,446, an increase of $5,500,013, or 592%, compared to the corresponding period of Fiscal 2016.

- Gross merchandise sales reached $7,536,017, an increase of $6,475,879 or 611%, compared to the corresponding period of Fiscal 2016.

- Active subscribers reached 23,000 as at May 31, 2017, an increase of 20,700, or 900%, compared to May 31, 2016.

- Gross profit reached $1,362,874, an increase of $1,243,781 compared to the corresponding period of Fiscal 2016.

- Gross margin reached 21.2%, an improvement of 8.4 percentage points compared to the corresponding period of Fiscal 2016.

- Adjusted gross margin reached 32.8%, an improvement of 9.1 percentage points compared to the corresponding period of Fiscal 2016. The improvement primarily resulted from lower unit costs for shipping, packaging and production labour.

- Adjusted net loss reached $860,830, an increase of $666,480 compared to the corresponding period of Fiscal 2016.

- Net cash used in operations reached $16,468, an improvement of $89,977 compared to the corresponding period of Fiscal 2016.

- Adjusted EBITDA margin reached (12.6%), an improvement of 7.8 percentage points compared to the corresponding period of Fiscal 2016.

- On March 31, 2017, the Company completed a private placement pursuant to which the Company issued 10,542,883 subscription receipts at a price of $2.00 per subscription receipt for aggregate gross proceeds of $21,085,766 which was held in escrow until the completion of the reverse takeover transaction. On June 1, 2017, 10,542,883 common shares were issued and the proceeds were released from escrow upon the completion of the reverse takeover transaction. In connection with the reverse takeover transaction, all outstanding convertible notes were converted on in accordance with their contractual provisions on June 1, 2017 into 2,645,718 common shares of the Company (from which 1,319,717 common shares were issued to a company controlled by a board member). A detailed description of the private placement and reverse takeover transaction can be found in the "Subsequent events" section of this MD&A.

- On May 31, 2017, all outstanding preferred shares were converted into common shares of the Company. Following the conversion, the Company's common shares were split on a 24.8379775 to 1 basis (the "Share Split"). The Share Split was applied retrospectively to comparative periods.

Nine-month period ended May 31, 2017

- Revenues reached $12,307,861, an increase of $10,502,185, or 582%, compared to the corresponding period of Fiscal 2016.

- Gross merchandise sales reached $14,372,234, an increase of $12,276,272, or 586%, compared to the corresponding period of Fiscal 2016.

- Gross profit reached $2,585,471, an increase of $2,446,874 compared to the corresponding period of Fiscal 2016.

- Gross margin reached 21.0%, an improvement of 13.3 percentage points compared to the corresponding period of Fiscal 2016

- Adjusted gross margin reached 32.4%, an improvement of 11.9 percentage points compared to the corresponding period of Fiscal 2016. The improvement primarily resulted from lower unit costs for shipping, food and packaging.

- Adjusted net loss reached $1,490,414, an increase of $921,672, compared to the corresponding period of Fiscal 2016.

- Net cash used in operations reached $58,753, an improvement of $330,384, compared to the corresponding period of Fiscal 2016.

- Adjusted EBITDA margin reached (11.2%), an improvement of 19.8 percentage points, compared to the corresponding period of Fiscal 2016.

- The Company issued convertibles notes having an aggregate face value of $1,000,000 in the first quarter of Fiscal 2017.

- On March 31, 2017, the Company completed a private placement pursuant to which the Company issued 10,542,883 subscription receipts at a price of $2.00 per subscription receipt for aggregate gross proceeds of $21,085,766 which was held in escrow until the completion of the reverse takeover transaction. On June 1, 2017, 10,542,883 common shares were issued and the proceeds were released from escrow upon the completion of the reverse takeover transaction. In connection with the reverse takeover transaction, all outstanding convertible notes were converted on in accordance with their contractual provisions on June 1, 2017 into 2,645,718 common shares of the Company (from which 1,319,717 common shares were issued to a company controlled by a board member). A detailed description of the private placement and reverse takeover transaction can be found in the “Subsequent events” section of this MD&A.

- On May 31, 2017, all outstanding preferred shares were converted into common shares of the Company. Following the conversion, the Company’s common shares were split on a 24.8379775 to 1 basis (the “Share Split”). The Share Split was applied retrospectively to comparative periods.

Business Outlook and Assumptions

The meal-kit subscription service industry has become one of the fastest growing industries in the world and remains relatively new in Canada. As a result, Goodfood believes that there are significant opportunities to rapidly grow its Active subscriber base by continuing to invest in highly targeted marketing campaigns, capacity expansion and establishing a national platform. As the Company grows its Active subscriber base, it is confident it can achieve economies of scale which will lead to gross margin improvements.

Metrics and Non-IFRS Financial Measures

This section describes certain metrics and non-IFRS financial measures used by the Company throughout this MD&A. It also provides a reconciliation between non-IFRS financial measures and the most comparable IFRS financial measures, where applicable. Non-IFRS financial measures do not have standard definitions prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies. Non-IFRS financial measures are provided as additional information to complement IFRS measures by providing further understanding of the Company's results of operations from Management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS.

***Active subscribers*[1]**

Management defines an Active subscriber as an account that will receive a delivery or has elected to skip delivery in the subsequent weekly delivery cycle. For clarity, Active subscribers exclude cancelled accounts. Management believes that Active subscribers is a useful metric because it is indicative of future revenues. The Company reports the number of Active subscribers at the beginning and end of the period, rounded to the nearest hundred. Active subscribers is not a financial measure.

	Three-month periods ended May 31,		Nine-month periods ended May 31,	
	2017	2016	2017	2016
Active subscribers, beginning of period	13,000	1,600	3,300	500
Net change in Active subscribers	10,000	700	19,700	1,800
Active subscribers, end of period	23,000	2,300	23,000	2,300

Gross merchandise sales

Gross merchandise sales ("GMS") measures the total retail value of goods sold by the Company and is calculated by before taking into account all incentives and credits. Incentives and credits are principally comprised of sign-up inducements, which typically provide new Active subscribers with a discount on their first delivery. GMS is a non-IFRS financial measure. Management believes that GMS is a useful revenue measure because the exclusion of incentives and credits, which are principally comprised of sign-up inducements, provides a picture that is more indicative of future revenues.

The reconciliation of revenue to GMS is as follows:

	Three-month periods ended May 31,		Nine-month periods ended May 31,	
	2017	2016	2017	2016
Revenue	6,428,446	928,433	12,307,861	1,805,676
Incentives and credits included in revenue	1,107,571	131,705	2,064,373	290,286
Gross merchandise sales	7,536,017	1,060,138	14,372,234	2,095,962

[1] Active subscribers are referred to as Subscribers in the Company's MD&A for the three-month and six-month periods ended February 28, 2016 and for the years ended August 31, 2016 and 2015.

Adjusted gross profit and Adjusted gross margin

Adjusted gross profit and Adjusted gross margin measure gross profit and gross margin on a retail value basis. Adjusted gross profit is calculated by subtracting cost of goods sold from GMS. Adjusted gross margin is expressed in percentage terms and calculated as Adjusted gross profit divided by GMS. Adjusted gross profit and adjusted gross margin are non-IFRS financial measures. Management believes that Adjusted gross profit and Adjusted gross margin are useful measures of financial performance because GMS is indicative of future revenues and therefore of future gross profit and gross margin.

The reconciliation of Adjusted gross profit and Adjusted gross margin is as follows:

	Three-month periods ended May 31,		Nine-month periods ended May 31,	
	2017	2016	2017	2016
Gross merchandise sales	7,536,017	1,060,138	14,372,234	2,095,962
Cost of goods sold	5,065,572	809,340	9,722,390	1,667,079
Adjusted gross profit	2,470,445	250,798	4,649,844	428,883
Adjusted gross margin	32.8%	23.7%	32.4%	20.5%

EBITDA, Adjusted EBITDA and Adjusted EBITDA margin

EBITDA is defined as net income or loss before net finance expenses, depreciation and amortization expense and income tax expense. Adjusted EBITDA is defined as EBITDA excluding share-based compensation expenses as they are an equity compensation item and other items that Management believes do not necessarily arise as part of the Company's normal day-to-day operations and could distort the analysis of trends in business performance. Adjusted EBITDA margin is defined as Adjusted EBITDA divided by Revenue. EBITDA, Adjusted EBITDA and Adjusted EBITDA margin are non-IFRS financial measures. Management believes that EBITDA, Adjusted EBITDA, and Adjusted EBITDA margin are useful measures of financial performance because they allow comparisons with companies that have different capital structures and are more current measures since they exclude the impact of historical investments in assets in current results. Furthermore, Management believes these measures are useful to assess the Company's ability to seize growth opportunities in a cost-effective manner, to finance its ongoing operations and to service its long-term debt.

The reconciliation of net loss to EBITDA, Adjusted EBITDA and then to Adjusted EBITDA margin are as follows

	Three-month periods ended May 31,		Nine-month periods ended May 31,	
	2017	2016	2017	2016
Net loss	(1,216,635)	(344,794)	(6,095,937)	(872,651)
Net finance expenses	19,406	152,397	4,285,183	307,777
Depreciation and amortization	14,525	3,435	32,823	4,992
EBITDA	(1,182,704)	(188,962)	(1,777,931)	(559,882)
Transaction and reorganization expense	347,579	-	347,579	-
Share-based compensation expense	26,424	-	52,845	-
Adjusted EBITDA	(808,701)	(188,962)	(1,377,507)	(559,882)
Revenue	6,428,446	928,433	12,307,861	1,805,676
Adjusted EBITDA margin (%)	(12.6%)	(20.4%)	(11.2%)	(31.0%)

For the three-month and nine-month periods ended May 31, 2017, Adjusted EBITDA excludes transaction and reorganization expense as Management does not believe this item reflects the performance of the underlying business of the Company.

Adjusted net loss and Adjusted loss per share

Adjusted net loss is defined as net loss adjusted for items that Management believes do not necessarily arise as part of the Company's normal day-to-day operations and could distort the analysis of trends in business performance. Adjusted loss per share is defined as Adjusted net loss divided by the basic weighted average number of common shared outstanding. Adjusted net loss and Adjusted loss per share are non-IFRS financial measures. Management believes that Adjusted net loss and Adjusted loss per share are useful measures of performance that can facilitate period-to-period comparisons.

The reconciliation of net loss to Adjusted net loss is as follows:

	Three-month periods ended		Nine-month periods ended	
		May 31,		May 31,
	2017	2016	2017	2016
Net loss	(1,216,635)	(344,794)	(6,095,937)	(872,651)
Loss on remeasurement of convertible notes	8,226	150,444	4,257,944	303,909
Transaction and reorganization expense	347,579	-	347,579	-
Adjustments to net loss	355,805	150,444	4,605,523	303,909
Adjusted net loss	(860,830)	(194,350)	(1,490,414)	(568,742)

For the three-month and nine-month periods ended May 31, 2017, Adjusted net loss excludes the loss on remeasurement of convertible notes and transaction and reorganization expenses as Management does not believe these items reflect the performance of the underlying business of the Company.

The reconciliation of basic and diluted loss per share to Adjusted loss per share is as follows:

	Three-month periods ended		Nine-month periods ended	
		May 31,		May 31,
	2017	2016	2017	2016
Net loss per share	(0.05)	(0.01)	(0.25)	(0.04)
Impact of adjustments to net loss above	0.02	-	0.19	0.02
Adjusted loss per share	(0.03)	(0.01)	(0.06)	(0.02)

Results of Operations - Three-month Periods Ended May 31, 2017 and 2016

The following table sets forth the major components of the Company’s statement of loss and comprehensive loss for the three-month period ended May 31, 2017 compared to the corresponding period of 2016:

Three-month periods ended May 31,	2017	2016	Variance (1)	Variance (%)
Revenues	6,428,446	928,433	5,500,013	592%
Cost of goods sold	5,065,572	809,340	4,256,232	526%
Gross profit	1,362,874	119,093	1,243,781	1,044%
Gross margin (%) (2)	21.2%	12.8%	8.4 pts.	66%
Selling, general and administrative expense	2,197,999	299,589	(1,898,410)	634%
Depreciation and amortization expense	14,525	3,435	(11,090)	323%
Transaction and reorganization expense	347,579	-	(347,579)	N/A
Net finance expense	19,406	152,397	132,991	87%
Net loss	(1,216,635)	(344,794)	(871,841)	253%

(1) A positive variance represents a positive impact to net loss and a negative variance represents a negative impact to net loss. Percentage change is presented in absolute values.

(2) Gross margin is calculated as Gross profit divided by Revenue and is expressed in percentage terms.

Explanation of variance for the three-month period ended May 31, 2017 to the corresponding period of 2016

The increase in Revenues was driven primarily by the continued rapid growth in the number of Active subscribers.

The increase in Gross profit primarily resulted from the increase in the number of Active subscribers. The increase in Gross margin primarily resulted from lower unit costs for shipping, packaging and production labour.

The increase in Selling, general and administrative expense is primarily due to an increase in marketing costs to acquire Active subscribers, higher employee-related costs due to the addition of administrative personnel to support the Company’s growth, higher professional fees, and higher payment processing fees due to the increase in revenue.

The increase in Depreciation and amortization expense resulted from the acquisition of fixed and intangible assets.

The increase in Transaction and reorganization expense resulted from professional fees incurred related to a reverse takeover transaction which was completed after the end of the quarter. Additional information pertaining to the reverse takeover transaction can be found in the “Subsequent events” section of this MD&A.

The decrease in Net finance expense primarily resulted from lower losses incurred upon on remeasurement of convertible notes.

The increase in Net loss primarily resulted from the increase in Selling, general and administrative expense and Transaction and reorganization expense, partially offset by higher Gross profit and lower Net finance expense.

Results of Operations - Nine-month Periods Ended May 31, 2017 and 2016

The following table sets forth the major components of the Company's statement of loss and comprehensive loss for the nine-month period ended May 31, 2017 compared to the corresponding period of 2016:

Nine-month periods ended May 31,	2017	2016	Variance [(1)]	Variance (%)
Revenues	12,307,861	1,805,676	10,502,185	582%
Cost of goods sold	9,722,390	1,667,079	8,055,311	483%
Gross profit	2,585,471	138,597	2,446,874	1,765%
Gross margin (%) [(2)]	21.0%	7.7%	13.3 pts.	173%
Selling, general and administrative expense	4,015,823	690,013	(3,325,810)	482%
Depreciation and amortization expense	32,823	4,992	(27,831)	558%
Transaction and reorganization expense	347,579	-	(347,579)	N/A
Net finance expense	4,285,183	307,777	(3,977,406)	1,292%
Net loss	(6,095,937)	(872,651)	(5,223,286)	599%

(1) A positive variance represents a positive impact to net loss and a negative variance represents a negative impact to net loss. Percentage change is presented in absolute values.

(2) Gross margin is calculated as Gross profit divided by Revenue and is expressed in percentage terms.

Explanation of variance for the nine-month period ended May 31, 2017 to the corresponding period of 2016

The increase in Revenues was driven primarily by the continued rapid growth in the number of Active subscribers.

The increase in Gross profit primarily resulted from the increase in the number of Active subscribers. The increase in Gross margin primarily resulted from lower unit costs for shipping, food and packaging.

The increase in Selling, general and administrative expense is primarily due to an increase in marketing costs to acquire Active subscribers, higher employee-related costs due to the addition of administrative personnel to support the Company's growth and higher payment processing fees due to the increase in revenue.

The increase in Depreciation and amortization expense resulted from the acquisition of fixed and intangible assets.

The increase in Transaction and reorganization expense resulted from professional fees incurred related to a reverse takeover transaction which was completed after the end of the quarter. Additional information pertaining to the reverse takeover transaction can be found in the "Subsequent events" section of this MD&A.

The increase in Net finance expense primarily resulted from higher losses incurred upon on remeasurement of the convertible notes.

The increase in Net loss primarily resulted from the increase in Selling, general and administrative expense, Net finance expenses and Transaction and reorganization expense partially offset by higher Gross profit.

Financial Position

The following table provides an analysis of the Company's statement of financial position as at May 31, 2017 compared to August 31, 2016:

As at	May 31, 2017	August 31, 2016	Variance
Total Assets	**2,815,622**	**829,880**	**1,985,742**
Variance mainly due to:			
Cash and cash equivalents	1,517,042	516,130	1,000,912
Sales tax receivable	402,759	81,248	321,511
Prepaid expenses and other current assets	376,852	-	376,852
Total Liabilities	**8,836,804**	**2,079,535**	**6,757,269**
Variance mainly due to:			
Accounts payable and accrued liabilities	2,772,145	489,529	2,282,616
Long-term debt	525,176	260,600	264,576
Preferred shares	-	800,015	(800,015)
Convertible notes	5,292,762	506,368	4,786,394
Total Shareholders' Equity (Deficiency)	**(6,021,182)**	**(1,249,655)**	**(4,771,527)**
Variance mainly due to:			
Common shares	1,330,565	59,000	1,271,565
Deficit	(7,404,592)	(1,308,655)	(6,095,937)

Explanation of variance from August 31, 2016 to May 31, 2017

The increase in Cash and cash equivalents is primarily due to the excess of proceeds from financing over capital expenditures and the net cash used in operations.

The increase in Sales tax receivable is primarily due to higher costs resulting from the Company's growth.

The increase in Prepaid expenses and other current assets resulted from share issuance costs incurred related to the private placement equity financing which was completed after the end of the quarter. Additional information pertaining to the private placement can be found in the "Subsequent events" section of this MD&A.

The increase in Accounts payable and accrued liabilities is primarily due to higher trade payables resulting from higher revenues and higher wages payable resulting from a larger workforce.

The increase in Long-term debt is primarily due to the issuance of a term loan.

The decrease in Preferred shares is due to their conversion into common shares.

The increase in Convertible notes is due to issuances of $1,000,000 and a fair value remeasurement of $4,257,944, partially offset by conversions of $471,550 into preferred shares.

The increase in Common shares is due to the conversion of preferred shares into common shares.

The increase in Deficit is due to the net loss incurred for the nine-month period ended May 31, 2017.

Liquidity and Capital Resources

Cash flows for the three-month periods ended May 31, 2017 and 2016

A summary of net cash flows by activity for the three-month period ended May 31, 2017 compared to the corresponding period of 2016 is presented below:

Three-month periods ended May 31,	2017	2016	Variance
Net cash (used in) operating activities	(16,468)	(106,445)	89,977
Net cash from (used in) financing activities	(7,721)	135,600	(143,321)
Net cash (used in) investing activities	(31,097)	(36,880)	5,783
Net change in cash	(55,286)	(7,725)	(47,561)
Cash and cash equivalents, beginning of period	1,572,328	709,881	862,447
Cash and cash equivalents, end of period	1,517,042	702,156	814,886

The positive variance in Net cash (used in) operating activities is primarily due to favorable changes in working capital.

The negative variance in Net cash from (used in) financing activities is primarily due to improvements in operating cash flow resulting in lower financing requirements.

The positive variance in Net cash (used in) investing activities is due to lower capital expenditures.

Cash flows for the nine-month periods ended May 31, 2017 and 2016

A summary of net cash flows by activity for the nine-month period ended May 31, 2017 compared to the corresponding period of 2016 is presented below:

Nine-month periods ended May 31,	2017	2016	Variance
Net cash (used in) operating activities	(58,753)	(389,137)	330,384
Net cash from financing activities	1,220,405	1,085,614	134,791
Net cash (used in) investing activities	(160,740)	(79,207)	(81,533)
Net change in cash	1,000,912	617,270	383,642
Cash and cash equivalents, beginning of period	516,130	84,886	431,244
Cash and cash equivalents, end of period	1,517,042	702,156	814,886

The positive variance in Net cash (used in) operating activities is primarily due to favorable changes in working capital.

The positive variance in Net cash from financing activities is due to an increase in financing requirements primarily funded by the issuance of convertible notes.

The negative variance in Net cash (used in) investing activities is due to higher capital expenditures.

Convertible notes

In September and October 2016, the Company issued convertible notes with a face value of $1,000,000 ($500,000 of which were issued to a company controlled by a Board member). The notes bear interest at 8%, which is capitalized over the term. The notes derive value from conversion features, which are described in note 5 to the Company's condensed interim financial statements for the three-month and nine-month periods ended May 31, 2017.

Long-term debt

In December 2016, the Company issued long-term debt of $230,000, secured by moveable property of the Company, bearing variable interest at an initial rate of 9.68%, repayable in monthly instalments beginning in October 2017 and ending in September 2022.

Common shares

On May 31, 2017, the Company's common shares were split 24.8379775 to 1 (the "Share Split"). The Share Split was applied retrospectively to comparative periods. Following the Share Split, 33,939,084 common shares were issued and outstanding. The Share Split was applied retrospectively to comparative periods.

Preferred shares

On May 31, 2017, following a resolution of the majority holders of preferred shares, all outstanding Class A preferred shares consisting of 320,000 Class A Series 1 preferred shares and 46,419 Class A Series 2 preferred shares were converted into 9,101,106 common shares of the Company (presented on a post-Share Split basis).

On May 31, 2017, following the conversion of all outstanding Class A preferred shares into common shares, the Company amended its articles of incorporation such that its authorized capital consisted solely of an unlimited number of common shares.

Related Party Transactions

In September 2016, the Company issued convertible notes with a face value of $500,000 to an company controlled by a board member. In September 2016, Convertible notes held by an company controlled by a board member were converted into 34,306 Class A preferred shares Series 2.

On May 31, 2017, preferred shares held by an company controlled by a board member consisting of 236,000 Class A Series 1 preferred shares and 34,306 Class A Series 2 preferred shares were converted into 6,713,854 common shares.

These transactions are recorded at the amount of consideration paid as established and agreed to by the related parties, which approximates market value.

Selected Quarterly Information

The table below presents revenue, net loss and net loss per share for the last eight quarters:

	Revenue	Net loss	Basic and diluted loss per share
May 31, 2017	6,428,446	(1,216,635)	(0.05)
February 28, 2017	3,686,947	(1,766,488)	(0.07)
November 30, 2016	2,192,468	(3,112,814)	(0.13)
August 31, 2016	995,984	(366,520)	(0.01)
May 31, 2016	928,433	(344,794)	(0.01)
February 29, 2016	562,005	(420,940)	(0.02)
November 30, 2015	315,238	(106,917)	-
August 31, 2015	136,771	(22,540)	-

(1) Basic and diluted loss per share has been adjusted retrospectively to reflect the Share Split.
(2) The sum of Basic and diluted loss on a quarterly basis may not equal to Basic and diluted loss on a year-to-date basis due to rounding.

The Company's revenues and expenses are affected by seasonality. During holiday and popular vacation periods, the Company anticipates revenues to be negatively affected as a higher proportion of Active subscribers elect to skip their delivery. The Company also anticipates the growth rate of Active subscribers to be negatively affected during these periods. During periods with warmer weather, the Company anticipates packaging costs to be negatively affected due to additional packaging required to maintain food freshness and quality. The Company also anticipates food costs to be positively affected due improved availability during periods with warmer weather.

The Company's historical revenue growth has masked the impact of seasonality, but as our growth rate moderates or seasonal spending by our customers becomes more pronounced, seasonality could have a more significant impact on the Company's operating results from period-to-period.

Financial Risk Management

Liquidity risk

Liquidity risk is the risk that the Company will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Company manages its liquidity risk by monitoring its operating requirements. The Company prepares budgets and cash forecasts to ensure that it has sufficient fund to fulfill its obligations. Management believes that the Company's cash on hand and financing capacity will provide adequate sources of funds to meet short-term requirements and fund any operating losses.

The following are amounts due on contractual maturities of financial liabilities, including estimated interest payments, as well as commitments with respect to operating leases as at May 31, 2017:

	Total	Less than 1 year	1 to 5 years	More than 5 years
Accounts payable and accrued liabilities	2,772,145	2,772,145	-	-
Long-term debt	648,584	148,441	484,511	15,632
Operating leases	255,228	134,580	120,648	-
	3,675,957	**3,055,166**	**605,159**	**15,632**

Additional Financing Requirements

As a result of realized and anticipated growth in the number of Active subscribers, planned investment in operations, logistics and technology as well as the potential for continued operating losses, Management expects that the Company may require additional debt or equity financing in the future.

On March 31, 2017, the Company completed a private placement pursuant to which the Company issued 10,542,883 subscription receipts at a price of $2.00 per subscription receipt for aggregate gross proceeds of $21,085,766 which was held in escrow until the completion of the reverse takeover transaction. On June 1, 2017, 10,542,883 common shares were issued and the proceeds were released from escrow upon the completion of the reverse takeover transaction.

A detailed description of the private placement and reverse takeover transaction can be found in the "Subsequent events" section of this MD&A.

Financial Instruments

Convertible Notes

The Company's convertible notes are classified at fair value through profit or loss. Changes in fair value are recorded in net finance expense. The Company's convertible notes derive value from conversion features which are generally tied to the equity valuation of the Company at a point in time.

As at May 31, 2017, the fair value of convertible notes is measured using an internal model which determines the fair value of the equity units issuable upon conversion using the price per common share of the private placement equity financing of June 1, 2017.

As at August 31, 2016, the fair value of convertible notes of $506,368 was measured using an internal model which applies a multiple to an annual revenue forecast to determine the fair value of the equity instruments issuable.

For the three-month and nine-month periods ended May 31, 2017, the Company recorded a loss on remeasurement of convertible notes of $8,226 and $4,257,944 (2016 - $150,444 and $303,909), respectively.

Additional information regarding the convertible notes including details of their conversion features and valuation methodology is provided in note 10 and note 19 of the Company's audited annual financial statements for the year ended August 31, 2016 and in note 5 of the Company's condensed interim financial statements for the three-month and nine-months periods ended May 31, 2017.

For information pertaining to the conversion of all outstanding convertible notes on June 1, 2017 in connection with the reverse takeover transaction, refer to the "Subsequent events" section of this MD&A

Derivatives

The Company did not enter into derivative contracts during the three-month and nine-month periods ended May 31, 2017.

Off-Balance Sheet Arrangements

The Company's off-balance sheet arrangements consist of obligations under operating leases, which are disclosed in note 17 of its audited annual financial statements for the year ended and as at August 31, 2016. The Company does not currently have any other off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the Company's financial condition, changes in revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources that are material.

For information on an operating lease for a new primary distribution facility secured on June 21, 2017, refer to the "Subsequent events" section of this MD&A.

Share-Based Compensation

The Company has established a stock option plan to attract and retain its employees, consultants, directors and officers. The plan provides for the granting of options to purchase common shares. Options are generally subject to service vesting criteria of four years and expire ten years from the grant date. Under the plan, 3,642,912 common shares have been reserved for issuance.

During the nine-month period ended May 31, 2017, 398,056 options were granted at a weighted average fair value of $0.69 per option. As at May 31, 2017, there were 452,700 options outstanding (54,644 as at August 31, 2016). During the three-month and nine-month periods ended May 31, 2017, no options were exercised. Total share-based compensation costs recognized under the stock option plan amount to $26,424 and $52,845 for the three-month and nine-month periods ended May 31, 2017 (2016 - nil and nil), respectively.

Critical Accounting Estimates

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

The Company's significant accounting estimates and assumptions for the three-month and nine-month periods ended May 31, 2017 include the estimation of the redemption percentage for sales credits included in deferred revenue, the recoverability of deferred income taxes and the fair value of convertible notes.

Recent Accounting Pronouncements

Please refer to the Company's interim unaudited condensed financial statements for the three-month and nine-month periods ended May 31, 2017.

Business Risks

There have been no material changes to the risks factors as described under "Part I – Risk Factors" in the Filing Statement. The following is an update on Future Capital Requirements.

Future capital requirements

On March 31, 2017, the Company completed a private placement pursuant to which the Company issued 10,542,883 subscription receipts at a price of $2.00 per subscription receipt for aggregate gross proceeds of $21,085,766 which was held in escrow until the completion of the reverse takeover transaction. On June 1, 2017, 10,542,883 common shares were issued and the proceeds were released from escrow upon the completion of the reverse takeover transaction. The Company intends to use the proceeds from the private placement to fund capital expenditures and for general corporate purposes.

A detailed description of the private placement and reverse takeover transaction can be found in the "Subsequent events" section of this MD&A.

Subsequent Events

Reverse takeover transaction and private placement

On June 1, 2017, the Company completed a going-public transaction in Canada by way of a three-cornered amalgamation between the Company, Mira VII Acquisition Corp. ("Mira VII") and Mira VII Subco Inc. ("Mira VII Subco") pursuant to which the Company and Mira VII Subco amalgamated (the "Amalgamation") under the Canada Business Corporations Act to form a new company ("Amalco"). Pursuant to the Amalgamation, the outstanding common shares of Mira VII were consolidated and Mira VII was assigned a fixed value of $1,125,000. Following the Amalgamation, Mira VII changed its name to Goodfood Market Corp. (the "Resulting Issuer") of which Amalco is the operating subsidiary. Common shares of the Resulting Issuer began trading upon the Toronto Stock Exchange under the symbol "FOOD" on June 7, 2017 and the common shares of the former Mira VII were delisted from the TSX Venture Exchange.

In connection with the Amalgamation, proceeds from a private placement (the "Private Placement") pursuant to which the Company issued 10,542,883 subscription receipts at a price of $2.00 per subscription receipt for aggregate gross proceeds of $21,085,766, which was held in escrow until the completion of the reverse takeover transaction. On June 1, 2017, 10,542,883 shares were issued and the proceeds were released from escrow. Net of fees paid to the agents, the Company received proceeds of approximately $19,640,000. The agents were also granted 405,002 two-year compensation options to purchase common shares of the Resulting Issuer at a price of $2.00 per share.

In connection with the Amalgamation, all outstanding convertible notes were converted in accordance with their contractual provisions into 2,645,718 common shares of the Company (from which 1,319,717 common shares were issued to a company controlled by a board member).

In connection with the Amalgamation, the holders of the Company's common shares (including those investors in the Private Placement following the exchange of the subscription receipts for common shares of the Company) received one common share of the Resulting Issuer in exchange for each outstanding common share of the Company. Following the share exchange, there were 47,690,185 issued and outstanding common shares of the Resulting Issuer.

In connection with the Amalgamation, the Company accelerated the vesting of 164,415 stock options, dissolved its stock option plan and a stock option plan was established by the Resulting Issuer. All outstanding stock options in the Company were exchanged on a post-Share Split basis for stock options of the Resulting Issuer with similar terms except for a reduced vesting period. In the fourth quarter of 2017, the Resulting Issuer will recognize an expense to reflect the acceleration in stock option vesting.

Lease for new primary distribution facility

On June 21, 2017, the Company signed a five-year lease with a five-year renewal option for an 83,000 square foot distribution facility located in Saint-Laurent, Quebec, Canada. The facility is intended to replace the Company's current 16,000 square foot primary distribution facility also located in Saint-Laurent, Quebec, Canada. In addition, the Company secured a right of first refusal for an additional 72,000 square feet at a location directly adjacent to the new facility.

The lease is classified as an operating lease with a total commitment of approximately $2,930,000 over the five-year term and an annual straight-line lease expense of approximately $570,000. Management expects to incur significant capital expenditures during the fourth quarter of Fiscal 2017 in anticipation of the new facility becoming operational in the first quarter of Fiscal 2018.

Outstanding Share Data

As at July 12, 2017, the Resulting Issuer has 47,690,185 common shares issued and outstanding, 467,408 stock options outstanding and 405,002 agent compensation options outstanding.