CO2 GRO Inc.

Interim Management's Discussion and Analysis

Quarterly Highlights

Three months ended September 30, 2021

November 29, 2021

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*This interim management discussion and analysis – quarterly highlights ("**Interim MD&A**") has been prepared based on information available to CO2 GRO Inc. ("**CO2 GRO**" or the "**Company**") at November 29, 2021. This Interim MD&A is based on information available to the Company and updates disclosure previously provided in the Company's Annual and interim MD&A's, up to the date of this Interim MD&A and should be read in conjunction with the Company's unaudited interim consolidated financial statements and the related notes as at and for the three and nine months ended September 30, 2021 and 2020 (the "**Unaudited Interim Consolidated Financial Statements**") and the Company's audited consolidated financial statements for the years ended December 31, 2020 and 2019 (the "**Consolidated Financial Statements**"). Both the Audited Consolidated Financial Statements and the Unaudited Interim Consolidated Financial Statements have been prepared by management in accordance with International Financial Reporting Standards ("**IFRS**") and all amounts are expressed in Canadian dollars unless otherwise noted. Other information contained in this Interim MD&A has also been prepared by management and is consistent with the data contained in the Financial Statements. Additional information relating to the Company can be found on SEDAR at www.sedar.com or on the Company's website at www.co2gro.ca.*

Management is responsible for establishing and maintaining adequate internal control over the Company's financial reporting.

As the Company is a Venture Issuer (as defined under under *National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings*) ("**NI 52-109**"), the Company and Management are not required to include representations relating to the evaluation, design, establishment and/or maintenance of disclosure controls and procedures ("**DC&P**") and/or ICFR, as defined in NI 52-109, **nor has it completed such an evaluation**. Inherent limitations on the ability of the certifying officers to design and implement on a cost-effective bases DC&P and ICFR for the issuer may result in additional risks of quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION AND STATEMENTS

This document may contain "forward-looking statements" which may include, but are not limited to, statements with respect to the future financial or operating performance of CO2 GRO or future events related to CO2 which reflect expectations regarding growth, results of operations, performance, business prospects or opportunities or industry performance or trends for the economic environment in which the Company operates. These forward-looking statements are not guarantees of future performance and actual results and outcomes may differ materially. Accordingly, readers should not place undue reliance on forward-looking statements. Such factors include, among others: general business, economic, competitive, political and social uncertainties; changes in project parameters as plans continue to be refined; changes in labour costs and other costs of materials, equipment or processes to operate as anticipated; accidents, labour disputes and other risks and delays in obtaining governmental approvals or financing or in the completion of research and development activities.

The forward-looking statements reflect CO2 GRO's current internal projections, expectations or beliefs and are based on information currently available to the Company. Often, but not always, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "intend", "plan", "anticipate", "believe", "predict", "potential", "continue", "budget", "schedule", "estimate", "forecast" or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Although CO2 GRO has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this Interim MD&A and, unless otherwise required by applicable securities laws, CO2 GRO disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise.

General

CO2 Gro Inc. was incorporated under the provisions of the Business Corporations Act (Ontario) on September 17, 2010, and trades on the TSX Venture Exchange ("**TSXV**") under its trading symbol, "**GROW**".

Dissolved CO_2 plant-enrichment platform: CO2 GRO's sole focus is commercializing its patent-pending CO_2 plant enrichment technology strengthened by four additional patents-pending for its CO2 Delivery Solutions system ("**CO2 Delivery Solutions™**").

The registered and head office of the Company is located at 40 King Street West, Suite 5800, Toronto, Ontario, M5H 3S1, Canada.

The Unaudited Interim Consolidated Financial Statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which contemplates the realization of assets and settlement of liabilities as they fall due in the normal course of business for the foreseeable future. The Company is in the development stage and has not yet realized profitable operations and has relied on non-operational sources of financing to fund operations. CO2 GRO's ability to continue as a going concern is dependent on successfully executing its business plan, which may include the raising of additional funds. The Company will continue to seek additional forms of debt or equity financing, but it cannot provide assurance that it will be successful in doing so. These material uncertainties lend doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness, ultimately, of the use of accounting principles applicable to a going concern. The Unaudited Interim Consolidated Financial Statements do not reflect the adjustments to the carrying amounts of assets and liabilities and the reported expenses and consolidated statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

The Unaudited Interim Consolidated Financial Statements have been prepared in accordance with *International Accounting Standards ("**IAS**") 34* 'Interim Financial Reporting' using accounting policies consistent with the IFRS issued by the International Accounting Standards Board ("**IASB**") and Interpretations of the International Financial Reporting Interpretations Committee ("**IFRIC**"). They consolidate the accounts of the Company and all its subsidiaries. The Company has the following inactive, wholly-owned subsidiaries: Pure Polar Canada Inc., CO2 GRO (US) Inc., BlueOcean Shrimp Products Inc., Asta NutraSciences Inc., BlueOcean Algae Inc., Solutions4CO_2 USA, Inc., 70717 Newfoundland and Labrador Limited and its virtually inactive wholly-owned subsidiary, Pure Polar Labs Inc. All intercompany transactions, balances and unrealized gains and losses from intercompany transactions are eliminated on consolidation.

The Company also owns a 50% equity interest in 2453969 Ontario Inc., an inactive joint arrangement. The Company accounts for this arrangement using the equity method in accordance with IFRS 11 *'Joint Arrangements'*.

The Unaudited Interim Consolidated Financial Statements were authorized for issuance by the Board of Directors of the Company on November 29, 2021.

Any reference in this Interim MD&A to "**note**" is to the corresponding note in the Unaudited Interim Consolidated Financial Statements or the Consolidated Financial Statements, as applicable.

Corporate

Novel Coronavirus ("COVID-19")

As the global pandemic continues to have effects throughout the world, the Company's operations could be significantly adversely affected by the effects of COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

Financial condition

As at September 30, 2021, the Company had assets totaling $1,378,114 and a shareholders' equity of $1,079,040. This compares with assets of $1,330,205 and shareholders' equity of $1,021,496, as at December 31, 2020.

During the quarter ended September 30, 2021, the Company's net assets decreased by $215,661. Changes to the Company's net assets are detailed as follows:

Item	Change	Explanation of change
	$	
Cash	(212,426)	Cash used for operating activities of $248,493 less cash used for investing activities of $6,715 offset with cash provided from financing activities of $42,782.
Receivables and sales taxes recoverable	59,888	Receivables increased by $52,425, a result of increase sales recognition and HST increased by $7,463.
Prepaid expenses	(64,077)	The decrease is the result of normal pro-rata expensing of annualized expenditures.
Intangible assets - Patents	4,703	Minimal increases to capitalized patent costs. Purchases for the quarter of $6,714 less amortization of $2,013.
Accounts payable and accrued liabilities	3,405	Decrease in payables due to normal operational variation in timing of payments.
Due to related parties	(28,982)	Increase is the result of timing of reimbursement of expenses to related parties.
Deferred revenue	21,828	Decrease for the period represents amounts previously received from customers that have now satisfied the Company's revenue recognition criteria.
	(215,661)	

Operational update

The Company recognizes revenue at the point in time when control is transferred to the customer, which is on shipment or upon completion of installation, depending on the contract (see the Company's revenue recognition policy, disclosed in note 4.15 of the Consolidated Financial Statements).

Revenue, deferred revenue and committed orders

During the third quarter of 2021, the Company reported $123,103 of revenue versus $91,660 of revenue during the second quarter of 2021. At September 30, 2021, the Company did not have any signed purchase orders that had not met the Company's revenue recognition policy.

Highlights

During the third quarter of 2021, the Company made record progress in signing seven commercial feasibilities assessing the value of CO2 Delivery Solutions™ versus four in Q2, 2021. The largest was with a major EU vegetable grower with 100M sq. ft. of vegetable grow area. The now cumulative 200M square feet owned by potential customers under commercial feasibilities is up from 30M square feet entering Q2, 2021. These new commercial feasibilities are for increasingly larger domestic and international greenhouse vegetable growers and Canadian *Cannabis* Licensed Producers ("LP").

The Company sold one CO2 Delivery Solutions™ in the third quarter of 2021 to an Arizona grower for US $30,000 that will cover 10% of their facility's grow capacity. The owner intends to install CO2 Delivery Solutions™ into the remaining 90% of their greenhouse capacity in mid-2022. The Company also began a larger US$25,000 commercial feasibility for a significant floriculture customer in the US.

Ontario's MEDJCT and Toronto Regional Board of Trade Mexico Accelerator Program selected the Company to participate in their Clean Tech Program. Hosted in September 2021, the Ontario Program introduced the Company to Mexican protected agriculture growers, associations and additional potential marketing partners.

The Company joined the Mexican Association of Protected Horticulture (AMHPAC) and the Japan Plant Factory Association. (JPFA) to develop and deepen relationships with protected agriculture growers in those countries.

The Company signed a non-exclusive sales partnership with Jose Andres Garcia Munoz for introducing CO2 Delivery Solutions™ to the large Spanish protected agriculture and greenhouse markets.

Marketing partner agreements

The Company is in discussions with a potential Japanese market partner after announcing a commercial feasibility with a Japanese greenhouse owner. Now that a Mexico marketing partner (Rancho Nexo) and a Spain based sales partner (Jose Andres Garcia Munoz) have been selected for those large greenhouse markets, the Company is slowing the pace of pursuing other geographies to focus on its highest probability sales opportunities. The Company will continue to support its marketing partners that currently include: Gulf Cryo for six Middle East countries, Turkey and Egypt, Green Mist in Israel, Rika Biotech in the UK for the UK, the Netherlands and Belgium, Pharmacrop in South Africa and Ch Green Malaysia. As North and Central America hold the greatest short-term potential for sales post commercial feasibilities, the Company's sales focus entering 2022 is in these geographies.

The Company is in discussions with various other irrigation, misting, CO2 gas supply and greenhouse manufacturing, lighting, products and service companies to broaden the marketing and selling of its CO2 Delivery Solutions to their customers.

Commercial feasibility update

Status of the announced fifteen commercial feasibilities to September 20, 2021 and the twenty-seven commercial feasibilities in 2020:

In progress:

1) Canada – six underway with one vegetable grower in Alberta, one vegetable grower in Ontario, two with Canadian LPs (one significant) and two with licensed micro-cultivators
2) US – four growers with one floriculture based
3) EU – one major vegetable grower
4) UK - one tomato high tech greenhouse
5) France – one medical plant greenhouse
6) Japan - one significant high tech greenhouse vegetable grower
7) Colombia - one 2020 rose greenhouse with a major global CO2 gas supplier
8) South Africa – one macadamia tree shade house

Delayed to 2022:

1) Canada – two: completed commercial feasibilities with licensed Cannabis and hemp Cultivators
2) US - three: California to start in Q1, 2022, Florida hydroponic leafy greens and Iowa strawberries both switching crops grown, unclear re-start timings
3) Israel – one Cannabis grower to start Q1, 2022
4) Malaysia – one vegetable grower expected to start in Q1, 2021
5) UK – one tomato greenhouse to start in Q1, 2022 as per customer request
6) UAE – one hydroponic lettuce greenhouse post two cycles, unclear re-start timing
7) Netherlands – one strawberry greenhouse, unclear start timing

Sales Resulting from Completed Commercial Feasibilities

1) Canadian Licensed Cultivator Golden Peaks after their successful 2020 commercial feasibility
2) US hemp greenhouse sales to fifteen Missouri growers after their successful 2020 commercial feasibilities
3) In early Q4, 2021 pepper grower Hidroexpo bought a CO2 Delivery Solutions™ system for one of their thirty-six 107,000 sq ft. greenhouses after a successful 2020 commercial feasibility

Generally, the Company's announced commercial feasibilities can take two to four months from the date of announcement to ship inventory and complete installations. They typically are timed to fit between crop harvests, international shipping, customer logistics and procuring and scheduling of local contractors for international commercial feasibilities. Growers requesting commercial start or re-start delays have been for a myriad of reasons not related to the Company's CO2 Delivery Solutions™.

To date, all commercial feasibilities underway are performing well once optimized and in line with our expectations. No announced commercial feasibility has been cancelled by a customer for underperformance. The timing and probability of selling a commercial installation system after a commercial feasibility has concluded is dependent on

CO2 Delivery Solutions™' performance against the feasibility objectives and the success of management in negotiating mutually satisfactory sales agreements.

The travel-related and physical distancing restrictions imposed by COVID-19 have continued to partially affect the Company's pace of developments. Commercial feasibility installations outside of Canada are conducted by sourced local contractors with remote supervision by management that are taking longer to accomplish than in local North American markets.

Q3 2021 Conferences and Trade Shows

The Company participated in the following conferences in support of expanded sales and marketing efforts in North America as COVID restrictions began to be eased.

- Cultivate 21 Hemp and Horticulture Conferences held on July 9th and 10th and July 11th to 13th in Columbus, Ohio.
- GreenTech Americas Conference at the Querétaro Centro de Congresos, QRO, Mexico from August 24th to 26th in conjunction with Mexico Marketing partner Rancho Nexo.
- AMHPAC's ANNUAL CONGRESS (Asociación Mexicana de Horticultura Protegida) held in Los Cabos, Mexico September 1st to 3rd, 2021 in conjunction with Mexico Marketing partner Rancho Nexo.
- Japan Plant Factory Conference ("JPFA") held virtually from September 14th to 16th, 2021.
- World Agri-Tech Innovation Summit held virtually September 27th to 29th.
- Greentech NL held in the Netherlands as a virtual exhibitor September 29th to 30th, 20201.

COVID-19 Impacts Easing

Easing business travel restrictions in North America and Mexico during the third quarter have led to more existing and potential customer meetings. The Company continues to virtually attend and now physically attend more conferences and Trade Shows to introduce or exhibit CO2 Delivery Solutions™' technology. The Company's Malaysian partner is finally allowed to travel between provinces again so several projects may move forward there. Some 2020 and 2021 commercial feasibilities continue to be delayed not just from COVID but also greenhouse labor, capital constraints and input cost pressures.

Changes to outstanding CO2 GRO securities

Common shares, options and warrants

In October 2021, 20,000 options with expiry date of January 12, 2022 and an exercise price of $0.14 each, were exercised raising proceeds of $2,800.

In September 2021, 15,000 options with expiry date of January 12, 2022 and an exercise price of $0.14 each, were exercised raising proceeds of $2,100.

In August 2021, 50,000 options with expiry date of September 9, 2021 and an exercise price of $0.15 each, were exercised raising proceeds of $7,500.

In July 2021, 30,000 options with expiry date of January 12, 2022 and an exercise price of $0.14 each, were exercised raising proceeds of $4,200.

Related-party transactions and balances

The Interim Consolidated Financial Statements include balances and transactions with directors and/or officers of the Company and/or corporations related to or controlled by them.

Key management includes those individuals having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly. Key management includes the directors, chief executive officer, chief financial officer and vice president of Sales and Strategic Partnerships. Related-party compensation paid or payable to key management is detailed below:

Three months ended September 30,	**2021**	2020
	$	$
Consulting fees to key management	**64,464**	46,725
Share-based payments	**56,199**	117,712

As at September 30, 2021, $62,489 (December 31, 2020 - $2,496) is owed to officers or directors of the Company or entities controlled by them.

Outstanding securities

As at the date of this Interim MD&A, the Company has the following securities outstanding:

Security	**Number outstanding**
Common shares	84,724,718
Options (exercisable – 5,508,891)	6,068,891
Warrants	11,611,195