CO2 GRO Inc.

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(formerly, BlueOcean NutraSciences Inc.)

Interim Management's Discussion and Analysis

Quarterly Highlights

Three months ended June 30, 2019

August 29, 2019

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INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS
QUARTERLY HIGHLIGHTS
Three months ended June 30, 2019

This interim management discussion and analysis – quarterly highlights ("Interim MD&A") has been prepared based on information available to CO2 GRO Inc. (formerly, BlueOcean NutraSciences Inc.) ("CO2" or the "Company") as at August 29, 2019. This Interim MD&A is based on information available to CO2 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 six months ended June 30, 2019 and 2018 (the "Unaudited Interim Consolidated Financial Statements") and the Company's audited consolidated financial statements for the years ended December 31, 2018 and 2017 (the "Audited 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 contains "forward-looking statements" which may include, but are not limited to, statements with respect to the future financial or operating performance of CO2 or future events related to CO2 which reflect expectations regarding growth, results of operations, performance, business prospects or opportunities or industry performance or trends. These forward-looking statements reflect CO2's current internal projections, expectations or beliefs and are based on information currently available to CO2. 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. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements expressed or implied by the forward-looking statements to differ materially from those anticipated in such 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. Although CO2 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 disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

General

CO2 Gro Inc. ("**CO2 GRO**" or the "**Company**") was incorporated under the provisions of the Business Corporations Act (Ontario) on September 17, 2010. At its Annual and Special Meeting held on March 26, 2018 (the "**2018 ASM**"), the shareholders of the Company approved, among other items, the Company's name-change from BlueOcean NutraSciences Inc. to CO2 GRO Inc. As of April 18, 2018, the Company commenced trading on the TSX Venture Exchange ("**TSXV**") under its new trading symbol, "**GROW**".

Dissolved CO_2 plant-enrichment platform: CO2 GRO's sole focus is commercializing its CO_2 gas infusion technology and its patent-pending US PTO CO2 Delivery Solutions systems, both of which form the Company's Dissolved CO2 Delivery Solutions plant platform.

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

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 includes 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 significant 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. (formerly, Solutions4CO_2 Technologies Inc.), CO2 GRO (US) Inc., BlueOcean Shrimp Products Inc. (formerly, S4CO2 Services Inc.), Asta NutraSciences Inc. (formerly, S4CO2 Manufacturing Inc.), BlueOcean Algae Inc. (formerly, Solutions4CO_2 (SJVB) Limited) and 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 Unaudited Interim Consolidated Financial Statements were authorized for issuance by the Board of Directors of the Company on August 29, 2019.

Financial condition

As at June 30, 2019, the Company had assets totaling $1,446,087 and a shareholders' equity of $1,135,080. This compares with assets of $1,533,808 and a shareholders' equity of $577,930, as at December 31, 2018.

During the quarter ended June 30, 2019, the Company's net assets increased by $310,725, the result of a decrease in assets of $256,862, offset by a decrease in liabilities of $567,587. The decrease in assets resulted from a decrease in cash of $572,232 (cash used for operations of $408,735, cash used for investing activities of $62,999 and cash used for financing activities of $100,498), offset by increases in accounts receivable of $67,036 , prepaid expenses of $27,297, HST recoverable of $164,886 and equipment of $56,151.

The decrease in liabilities of $567,587, resulted from decreases to accounts payable and accrued liabilities of $443,089 and to amounts due to related parties of $124,498.

Corporate

Operational update

The Company's marketing initiatives have led to the distribution of 30 active proposals for grow trials, commercial pilots and commercial installations versus 16 announced in late June as follows; U.S. (17), Canada (10), the EU (one – flowers), the UAE (one – vegetables) and Columbia (one – outdoor flowers). Most proposals are to North American cannabis growers, followed by growers of indoor and outdoor flowers and hemp CBD. Total greenhouse grow space owned by these 30 companies represents approximately 20M square feet. Ready to install automated CO2 Delivery Solutions equipment in inventory will cover approximately 6M square feet.

Ongoing indoor trials include 1) Ontario medical tobacco, 2) several U.S. Midwest US Hemp CBD and 3) several Michigan and Ontario commercial flower trials. Outdoors, the University of Guelph's Muck Station in Ontario is performing grow trials on four vegetables until a mid-October harvest. Hemp CBD plant research at St. Cloud State University will begin as soon as a Minnesota State permit is granted to the university.

The Company's revenue model now includes the option to purchase a CO2 Delivery Solution system, lease to buy one for six years or lease-only indefinitely. The discounted cash flow value of each option to the Company is the same, which maintains the return on investment assumptions contained in the Company's business plan.

Delays in wording clarity from Health Canada for Licensed Producers (LPs) wishing to trial or install a CO2 Delivery Solution system may be resolved October 17, 2019. Health Canada will then require that any water touching any part of a plant must be potable. Health Canada is kept aware of the Company's technology re: plant growth efficiency, CO2 gas usage reduction, reduction in pathogens and human safety improvements.

Dissolved CO2 saturated water is intermittently applied for approximately 10 minutes per day on all plants while CO2 gassing fills an entire greenhouse for up to 18 hours per day with less effect, CO2 gas waste and human safety concerns. The Canadian Food Inspection Agency concluded that the Company's water-based technology does not create a fertilizer nor a supplement, so the non-bubble CO2 saturated water created is still defined as water, which is allowed by Health Canada.

Corporate update

In May 2019, the Company settled an outstanding legal claim with its former President and CEO. A gain on the settlement of accounts payable of $59,090 has been recorded in the statements of loss and comprehensive loss.

Changes to outstanding CO2 GRO securities

Common shares

(i) In April 2019, 157,894 common shares were issued on the same number of exercised options.

(ii) In May 2019, 471,698 common shares with a fair value of $125,000, were issued in settlement of related party debt. Pursuant to IFRIC 19.6, the gain on the settlement of $282,635 was recognized as an increase to the capital of the Company.

Options

In April 2019, 157,894 options were exercised, raising proceeds of $24,000. The fair value of the exercised options of $87,241 was transferred from contributed surplus to share capital.

Related-party transactions and balances

The unaudited 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 operations. Related-party compensation paid or payable to key management is detailed below:

	3 months ended		6 months ended	
	June 30, 2019	June 30, 2018	**June 30, 2019**	June 30, 2018
Transactions:	**$**	$	**$**	$
Compensation to key management	**-**	-	**-**	-
Consulting fees to key management	**22,500**	22,500	**45,000**	45,300
Share-based payments	**97,327**	11,197	**243,387**	278,197

As at June 30, 2019, $145,809 (December 31, 2018 - $280,696) is owed to officers or directors of the Company or entities controlled by them.

Included in 2018 consulting fees to key management above, 41,128 (3 months) and 66,947 (6 months) common shares of the Company, with a fair value of $4,000 and $10,000, respectively, were issued to a company controlled by the CO2 GRO's CFO. The shares were issued pursuant to a shares-for-services agreement with the Company's CFO, wherein $2,000 per month is settled with the issuance of shares.

Outstanding securities

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

Security	**Number outstanding**
Common shares	67,651,004
Options	4,746,598
Warrants	3,962,500
Finder's and Corporate Finance Warrants	300,000