Rubicon Organics Inc.

Management Discussion and Analysis

For the three and nine months ended September 30, 2020

November 24, 2020

Expressed in Canadian dollars

INTRODUCTION

This management discussion and analysis ("MD&A") of the financial condition and results of operations of Rubicon Organics Inc. ("Rubicon Organics", "ROI" or the "Company") is for the three and nine months ended September 30, 2020. It is supplemental to and should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements including the accompanying notes for the three and nine months ended September 30, 2020 (the "Interim Financial Statements") and the audited financial statements for the year ended December 31, 2019 ("Financial Statements"). The Company's Interim Financial Statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements including IAS 34, Interim Financial Reporting. The Company's Financial Statements are prepared in accordance with IFRS as issued by the IASB. This MD&A has been prepared by reference to the MD&A disclosure requirements established under National Instrument 51-102 "Continuous Disclosure Obligations" of the Canadian Securities Administrators. Additional information regarding the Company is available on our website at www.rubiconorganics.com or through the SEDAR website at www.sedar.com. This discussion covers the three and nine months ended September 30, 2020, and the subsequent period up to the date of November 24, 2020.

Throughout this document the terms we, us, our, Rubicon Organics, ROI and the Company refer to Rubicon Organics Inc. and its subsidiaries during the three and nine months ended September 30, 2020.

All figures in this MD&A are in Canadian Dollars unless otherwise noted.

DESCRIPTION OF THE BUSINESS

Corporate Structure

Rubicon Organics was incorporated pursuant to the *Business Corporations Act* (British Columbia) on May 15, 2015. On May 22, 2018, the Company changed its name from West Coast Land Corporation to Rubicon Organics Inc. and replaced its articles in their entirety, the effect of which included adding advance notice provisions for the election of directors. The common shares Rubicon Organics are listed on the TSX Venture Exchange (the "TSXV") under the symbol "ROMJ" and on the OTCQX under the symbol "ROMJF".

The address of the Company's registered office and records is 1200 Waterfront Centre, 200 Burrard Street, PO Box 48600 Vancouver, British Columbia V7X 1T2. The Company's head office is unit 505 - 744 West Hastings Street, Vancouver, British Columbia V6C 1A5. The Company's corporate website is www.rubiconorganics.com.

Entities in Rubicon Organics' consolidated financial statements are as follows:

Name	Place of Incorporation	Ownership Percentage
Rubicon Holdings Corp.	BC, Canada	100%
Bridge View Greenhouses Ltd. ("Bridge View")	BC, Canada	100%
Vintages Organic Cannabis Company Inc. ("Vintages") *(licensed producer under the Cannabis Act)*	BC, Canada	100%
West Coast Marketing Corporation	BC, Canada	100%
Rubicon Holdings, Inc. ("RHI")	WA, United States ("US")	100%
West Coast Property Holdings, Inc.	WA, US	100%
Rubicon Property 2, LLC	WA, US	100%
Rubicon California, LLC	CA, US	100%
Great Pacific Brands, LLC	WA, US	100%
Red Dog Operations, Inc.	WA, US	100%
Seymour Soils, Inc.	WA, US	100%

On April 3, 2020, the Company sold its subsidiary Rubicon Property 1, LLC as part of the sale of the Company's Washington Facility. The operating results of Rubicon Property 1, LLC from January 1, 2020 to April 3, 2020 are included in results from discontinued operations in note 5 of the Interim Financial Statements.

Effective October 1, 2020 the Company amalgamated Rubicon Holdings Corp, Bridge View and Vintages to continue as one entity being Rubicon Holdings Corp. At the same time, Health Canada acknowledged and transitioned the Company's cannabis license previously held by Vintages into Rubicon Holdings Corp.

On October 26, 2020, Rubicon Organics completed the dissolution of Rubicon Property 2, LLC, Great Pacific Brands, LLC, Red Dog Operations, Inc., and Seymour Soils, Inc. The remaining US entities are expected to be dissolved by December 2020.

Business of the Company

Rubicon Organics is a holder of licenses under the *Cannabis Act* ("LP") focused on providing premium organic certified cannabis products for the recreational and medical-use markets in Canada. Rubicon Organics owns and operates a fully licensed 125,000 square foot high-tech greenhouse located on a 20-acre property in Delta, British Columbia (the "Delta Facility"). The entire greenhouse facility is licensed for cultivation and processing. Out of its Delta Facility, the Company grows organic cannabis certified by the Fraser Valley Organic Producers Association ("FVOPA"), Canada's preeminent certification body for organic operators. Rubicon Organics is one of only three LPs in Canada to receive the organic certification from FVOPA and one of just six LPs to have organic certification for cannabis production in the country.

On May 5, 2020, the Company received its medical sales license from Health Canada, allowing for direct to patient sales, as well as site amendments that allow for expansion of the Company's licensed area to include an 11-acre outdoor grow site. On May 8, 2020, the Company received its sales amendment from Health Canada to sell dried and fresh cannabis products for recreational use (the "Sales License") directly to all provincial and territorial distributors. The Company's organic cannabis is sold under the brand Simply Bare™ Organic as dried flower in sustainable 3.5g glass jars and 3-packs of 0.5g pre-rolls. Rubicon Organics currently has direct supply agreements in place for British Columbia, Alberta and Ontario, and a distribution arrangement with Agro-Greens Natural Products Ltd. ("Agro-Greens"), to sell our cannabis products in Saskatchewan and Manitoba (the "Agro-Greens Agreement").

To focus on bringing premium organic certified cannabis to the Canadian market, in the second half of 2019 the Company decided to exit the United States. The Company's principal asset in the US was its 40,000 square foot venlo-style greenhouse on 16.6 acres of industrial land complete with greenhouse equipment (the "Washington Facility"). On April 3, 2020, the Company completed the sale of the Washington Facility for gross proceeds of $12,020,700 (US$8,500,000) and, effective May 15, 2020, the Company terminated its lease on the extraction lab in Washington and sold all related cannabis extraction equipment, thereby ceasing all ancillary services to the cannabis industry in the US. On November 17, 2020, the Company sold its three-acre parcel of land in Greenfield, California. The Company no longer has any assets in the US and is in the process of dissolving its remaining US entities.

KEY DEVELOPMENTS IN THE NINE MONTHS ENDED SEPTEMBER 30, 2020

Highlights

- **Increase in net revenue of $2,174,783 (219%) quarter over quarter**
- **Commenced trading on the TSX Venture Exchange (previously listed on the CSE)**
- **Signed a licensing agreement with Wildflower for topical cannabis products**
- **Sold Washington greenhouse for gross proceeds of $12,020,700**
- **Completed a non-brokered private placement for gross proceeds of $13,500,000**
- **Obtained Health Canada licence amendments for outdoor grow, medical sales, and sales for recreational use**
- **Signed direct supply agreements with the Alberta Gaming, Liquor & Cannabis ("AGLC"), British Columbia Liquor Distribution Branch ("BCLDB") and the Ontario Cannabis Store ("OCS") for the sale and distribution of Simply Bare™ Organic cannabis**
- **Launched three additional strains and pre-roll products into the Canadian market**
- **Signed a product supply agreement with Canacur GmbH, a medical cannabis distributor in Nuremburg, Germany pending EU-GMP certification**

By Q2 2020 Rubicon Organics' Delta Facility was fully utilized for cultivation and the Delta Facility was in full scale operation. Rubicon Organics has completed its ramp up phase and is now entering steady state production. We are focusing on refining our processes and procedures and launching our innovation pipeline.

On April 20, 2020, the Company announced that, under the Agro-Greens Agreement, it received the first purchase orders for the Company's Simply Bare™ Organic flower from the OCS, making its product available in Ontario for the first time in late April. Following the initial order from the OCS, the Company has received additional purchase orders.

On May 5, 2020, the Company received its medical sales license from Health Canada, allowing for direct to patient sales, as well as site amendments that allow for expansion of the Company's licensed area to include an 11-acre outdoor grow site. The Company commenced a pilot scale outdoor grow project in the summer months of 2020.

On May 8, 2020, the Company received its sales amendment from Health Canada to sell dried and fresh cannabis products for recreational use (the "Sales License") directly to all provincial and territorial distributors.

On June 15, 2020, the Company announced direct supply agreements with the AGLC and BCLDB for the sale of and distribution of Simply Bare™ Organic cannabis, and on June 18, 2020 announced a direct supply agreement with the OCS. Prior to these supply agreements, the Company's Simply Bare™ Organic cannabis was introduced to these markets under its distribution agreement with Agro-Greens. The Company continues to work with Agro-Greens to distribute its cannabis products in Saskatchewan and Manitoba.

In addition to the original two strains available under the Simply Bare™ Organic brand in 3.5 g jars since the beginning of 2020, BC Organic Blue Dream and BC Organic Creek Congo, the Company has since launched three additional strains: BC Organic Sour Cookies, BC Organic SFV OG Kush, and BC Organic Charlotte CBD, taking the number of strains available to five. In July 2020, Rubicon Organics expanded its product offering to include Simply Bare™ Organic whole flower pre-roll products.

On June 22, 2020, the Company announced that it has signed a supply agreement with Canacur GmbH, a medical cannabis distributor incorporated in Nuremburg, Germany ("Canacur"). Under the agreement, Canacur will purchase dried cannabis from ROI for an initial term of three years with two optional two-year extensions available. The Company expects first exports in the first half of 2021, pending EU-GMP certification following renovations in the Delta Facility's processing area. As part of the agreement, Canacur has agreed to provide ROI up to $700,000 as advance payment for product, which is secured behind existing secured lenders on the Delta Facility. The advance payment will be used to fund the necessary renovations to obtain the EU-GMP certification.

On September 16, 2020, Rubicon Organics announced an agreement with Wildflower Brands Inc. ("Wildflower") wherein Wildflower will license its brand and intellectual property to Rubicon Organics for the production of Wildflower-branded CBD Relief Sticks and CBD Cool Sticks in Canada. Rubicon Organics will manufacture and distribute the Wildflower Products in Canada with product launch expected in the first half of 2021.

Rubicon Organics has completed installation of new high-performance LED lights in the final three of its five compartments and has completed all 2020 planned major capital expenditures.

Corporate

Beginning from November 1, 2019, certain executives of the Company agreed to defer portions of their salaries and expenses. In January 2020, the Board approved revolving credit lines with the CEO, CFO, President and CSO of the Company for $500,000, $300,000, $150,000, and $150,000 at an annual interest rate of 12% with repayment no later than December 31, 2020. These revolving credit lines were retrospectively effective for amounts loaned effective November 1, 2019. On April 21, 2020 the Board approved an increase in the revolving credit line with the CEO to $1,000,000. On April 22, 2020, the Company repaid the accrued salaries and expenses to the CEO, CFO, CSO, and President and on May 19, 2020, the Company repaid the principal and interest owing to the CEO under the revolving credit line.

On February 11, 2020, a shareholder of the Company entered into a revolving credit line with the Company for up to $250,000 at an annual interest rate of 12% with repayment no later than December 31, 2020. The principal plus interest was repaid in full on May 19, 2020.

In connection with amounts owed under the Company's $3,355,000 second mortgage financing loan, the majority of the lenders agreed to defer the interest payment due on April 24, 2020 in the amount of $383,429 until the maturity of the loan on April 24, 2021. The deferred interest is compounded to the principal amount owing.

On May 29, 2020, the Company completed a non-brokered private placement of 5,744,681 units at $2.35 per unit for gross proceeds of $13,500,000 and issued 22,766 units as finder units. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of $3.25 per common share until May 29, 2021.

On July 23, 2020, the Company received conditional approval to list the common shares and 3,150,000 warrants of the Company on the TSXV. On August 19, 2020, the Equity Incentive Plan and Deferred Share Unit Plan were amended to comply with TSXV listing requirements set forth in the conditional approval. The Company received final approval and commenced trading on the TSXV on September 22, 2020.

On July 29, 2020 and August 28, 2020, executives of the Company exercised 357,500 and 400,000 options for common shares at US$1.00 per option, respectively, under the Equity Incentive Plan.

On August 10, 2020, the Company executed an extension option on its First Mortgage debt extending the maturity date six months from September 30, 2020 to March 31, 2021.

On August 18, 2020, the Company granted an aggregate of 92,500 stock options to employees of the Company. The options are exercisable at $3.33 per share for a period of five years expiring on August 18, 2025, pursuant to the terms of the Equity Incentive Plan. The options vest over three years.

In response to the COVID-19 pandemic, Rubicon Organics has formed a COVID-19 Response Committee and reviews all critical supplies on a three-month supply chain need to ensure that lead times will not disrupt operations, and has implemented increased hygiene protocols such as hand washing, social distancing, and fever scanning. In the current environment, the Company has prioritized risk-mitigation and business continuity planning for the safety of our team, community, and maintenance of on-going operations. We are currently developing new spaces that facilitate safe collaboration in respect of social distancing protocols brought on by the COVID-19 pandemic.

DEVELOPMENTS SUBSEQUENT TO SEPTEMBER 30, 2020

- **Signed agreement with PAX LABS® to fill organic cannabis oil pods for the PAX® ERA™ and PAX® ERA Pro™ premium vaporizers**
- **Established a route to market for cannabis 2.0 products with Canada House Wellness Group**
- **Completion of pilot scale outdoor grow project**
- **Launched additional strain - BC Organic Apple Toffee**
- **Acceleration of warrant expiry date for 3.1 million warrants at an exercise price of $3.50**
- **Amalgamation of three Canadian subsidiaries which will allow for use of over $20 million in tax losses in future**

Effective October 1, 2020 the Company amalgamated three Canadian subsidiaries: Rubicon Holdings Corp, Bridge View and Vintages to continue as one entity being Rubicon Holdings Corp. At the same time, Health Canada acknowledged and transitioned the Company's cannabis license previously held by Vintages into Rubicon Holdings Corp. The amalgamation of these three subsidiaries consolidates over $20 million in non-capital tax losses into the resulting company, Rubicon Holding Corp. available to offset against future taxable income.

In early October 2020, the Company shipped its first orders of a new strain, BC Organic Apple Toffee, of Simply Bare™ Organic.

On October 6, 2020, Rubicon Organics announced a partnership with PAX LABS®, a leader in premium cannabis vaporization technology, wherein Rubicon Organics expects to launch organic cannabis oil pods for the PAX® ERA™ and PAX® ERA Pro™ premium vaporizers. We expect the PAX® pods to be available for distribution in the first half of 2021.

On October 15, 2020, the Company granted 75,000 deferred share units ("DSU's") and 80,000 stock options to Directors and employees of the Company, respectively. The DSU's vested immediately and may only be redeemed upon a holder ceasing to be a director of Rubicon Organics. The stock options vest pursuant to the Company's Equity Incentive Plan and are exercisable at $4.10 per share for a period of five years from the grant date.

On October 26, 2020, Rubicon Organics announced that it has signed a cannabis 2.0 product distribution agreement with Canada House Wellness Group Inc ("Canada House"). Through the distribution agreement, Canada House will distribute Rubicon Organics' line of concentrate products to Canada House's provincial distributors while the Company waits to receive authorization from Health Canada for the sale of extracts, topicals and edibles. The Canada House distribution agreement represents an established route to market for Rubicon Organics' cannabis 2.0 innovation pipeline.

In October 2020, the Company completed its pilot scale cultivation program at the Delta Facility. The outdoor grow program resulted in valuable learnings and Rubicon Organics is now assessing its next steps and potential scale for outdoor grow in the coming years.

On October 26, 2020, Rubicon Organics completed the dissolution of Rubicon Property 2, LLC, Great Pacific Brands, LLC, Red Dog Operations, Inc., and Seymour Soils, Inc. The remaining US entities are expected to be dissolved by December 2020.

On November 16, 2020, the Company elected to accelerate the expiry date of 3,117,000 outstanding common share purchase warrants with an exercise price of $3.50 per common share and an original expiry date of February 23, 2022 (the "Accelerated Warrants"). The Company was able to accelerate these warrants on the basis that it met the metric pursuant to the warrant indenture following its common shares' volume weighted average trading price exceeding $3.80 for 20 consecutive trading days. Under the terms of the warrant indenture and the notice issued to warrant holders, they have until December 16, 2020 to exercise their warrants. If all outstanding Accelerated Warrants are exercised, gross proceeds to the Company would total $10,909,500.

On November 18, 2020, the Company sold its three-acre parcel of land in Greenfield, California for gross proceeds of US$390,000. This land was the final asset remaining in the US and the Company expect to have all remaining US subsidiaries dissolved by December 31, 2020.

On November 24, 2020, the Company entered a letter of understanding ("LOU") with Société québécoise du cannabis ("SQDC") for the distribution of its organic cannabis products to consumers in the province of Québec. This Executed letter of understanding with SQDC to sell its flagship Simply Bare™ Organic premium organic flower as well as a to launch a new brand for the market in Québec.

OUTLOOK

Rubicon Organics is focused on building its portfolio of premium brands in the Canadian market that is anchored by its flagship Simply Bare™ Organic cannabis brand. The Company intends to launch additional brands into the market in both the flower and extract categories, along with a diverse portfolio of cannabis 2.0 products. The Company has also established distribution channels to Germany with the expectation to enter international markets in 2021.

The Company has direct supply agreements with the OCS, BCLDB and AGLC and has recently signed with the SQDC. The Company expects to ramp up product deliveries to these markets as well as initiate product shipment to Quebec in December 2020. The Company plans to continue to use local distributors in Saskatchewan and Manitoba.

Following approval from Health Canada on May 5, 2020 for site amendments that included the use of its land at the Delta Facility for an outdoor grow, the Company launched a pilot scale outdoor grow. Following on from the lessons of this pilot scale program, the Company is assessing the scale and viability of a larger outdoor grow program in 2021.

The Company has installed additional high-performance LED lighting in the final three of its five flowering compartments to increase quality and yield throughout the year. The Company is performing an assessment of areas for additional capital expenditure which would increase throughput and efficiency. Renovations to the Delta Facility's processing area are underway to facilitate compliance with EU-GMP requirements thereby providing access to the German market through the Company's supply agreement with Canacur GmbH. The Company has developed an extensive product innovation pipeline and is preparing to bring the first phase of those products to market.

The Company is determined to achieve positive operating cash flow and profitability. The Company currently expects to achieve positive adjusted EBITDA on a monthly basis by year-end 2020 and to achieve monthly positive cash flow from operations in the first half of 2021. The Company expects to generate significant operating leverage by maintaining moderate increases in production costs and operating expenses, with linear increases in inventory expensed to costs of sales relative to net revenue, but at a lower per unit cost.

The Company expects to refinance debt maturing in 2021 to a long-term mortgage financing facility, potentially with more favourable terms, and may seek other capital through equity and other debt arrangements.

The COVID-19 outbreak was declared a pandemic by the World Health Organization in 2020. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and our business are not known at this time. These impacts could include an impact on our ability to maintain operations, to obtain debt and equity financing, access to necessary supplies, credit risk associated with our accounts receivable, impairments in the value of our long-lived assets, or potential future decreases in revenue or the profitability of our ongoing operations. The Company continues to work diligently to ensure operations continue and product is delivered while continuing to emphasize the safety of our product and employees.

Expressed in Canadian dollars

YEAR TO DATE FISCAL 2020 HIGHLIGHTS

The following tables present select financial information of the Company for the periods ended September 30, 2020, December 31, 2019 and December 31, 2018:

	30-Sept-20	31-Dec-19	31-Dec-18
	$	$	$
Current assets	**20,574,696**	18,357,477	2,290,446
Total assets	**44,604,268**	39,776,021	28,328,663
Current liabilities	**19,656,738**	12,853,863	3,355,530
Non-current liabilities	**255,271**	8,406,762	2,911,820
Total liabilities	**19,912,009**	21,260,625	6,267,350
Shareholders' equity	**24,692,259**	18,515,396	22,061,313

	For the three months ended September 30		
	2020	2019	2018
	$	$	$
		(restated)*	(restated)*
Gross revenue	**3,725,367**	—	520,976
Net revenue	**3,166,786**	—	520,976
Other income	**491,405**	—	—
Loss from continuing operations	**(4,279,330)**	(2,776,605)	(2,443,773)
Loss from discontinued operations	**(37,918)**	(1,677,848)	(1,543,296)
Net loss for the period	**(4,317,248)**	(4,454,453)	(3,987,069)
Total comprehensive loss	**(4,187,147)**	(4,299,700)	(3,791,479)
Adjusted EBITDA**	**(2,576,373)**	(2,542,130)	(2,797,956)
Loss per share from continuing operations	**(0.09)**	(0.07)	(0.07)
Loss per share	**(0.09)**	(0.12)	(0.12)

	For the nine months ended September 30		
	2020	2019	2018
	$	$	$
		(restated)*	(restated)*
Gross revenue	**5,447,144**	—	1,356,768
Net revenue	**4,612,832**	—	1,356,768
Other income	**929,867**	—	—
Loss from continuing operations	**(9,543,935)**	(8,405,301)	(21,852,894)
Loss from discontinued operations	**(396,535)**	(1,837,264)	(2,870,277)
Net loss for the period	**(9,940,470)**	(10,242,565)	(24,723,171)
Total comprehensive loss	**(9,257,697)**	(10,622,127)	(24,523,201)
Adjusted EBITDA**	**(8,123,471)**	(6,050,024)	(6,191,624)
Loss per share from continuing operations	**(0.22)**	(0.23)	(0.67)
Loss per share	**(0.23)**	(0.27)	(0.76)

**Restated due to discontinued operations*

There were no distributions or cash dividends per share.

Expressed in Canadian dollars

The table below summarizes the Company's cash flows for the nine months ended September 30, 2020, September 30, 2019 and September 30, 2018:

	For the nine months ended September 30		
	2020	2019	2018
	$	$	$
Net cash provided (used in):			
Operating activities	**(12,263,168)**	(8,007,074)	(6,686,775)
Investing activities	**(4,399,764)**	(5,428,478)	(8,912,210)
Financing activities	**22,658,977**	17,757,633	15,291,222
Effect of foreign exchange on cash	**(18,106)**	(21,610)	(68,427)
Increase (decrease) in cash	**5,977,939**	4,300,471	(376,190)
Cash beginning of the period	**2,083,588**	232,420	2,921,051
Cash end of the period	**8,061,527**	4,532,891	2,544,861

**Adjusted EBITDA is a non-GAAP measure that is calculated as earnings (losses) from continuing operations before interest, tax, depreciation and amortization, share-based compensation expense, fair value changes and other non-cash items. Management uses adjusted EBITDA to assess the Company's performance using the same metric as its peers. The following table presents the Company's adjusted EBITDA for the three and nine months ended September 30, 2020 and September 30, 2019:

	For the three months ended September 30		**For the nine months ended September 30**	
	2020	**2019 (restated)***	**2020**	**2019 (restated)***
Loss from operations	**(3,612,450)**	(2,154,382)	**(7,677,152)**	(7,492,906)
IFRS fair value accounting related to cannabis plants and inventory:				
Unrealized gain in changes of fair value of cannabis plants	**(3,591,441)**	(1,454,099)	**(7,647,975)**	(1,756,860)
Realized fair value of inventory sold	**1,361,395**	—	**1,993,981**	—
Fair value of inventory written off	**2,264,159**	—	**2,647,344**	—
Net fair value adjustment	**34,113**	(1,454,099)	**(3,006,650)**	(1,756,860)
Depreciation and amortization	**525,796**	253,900	**1,230,800**	486,352
Share-based compensation expense	**476,258**	812,451	**1,329,531**	2,713,390
Adjusted EBITDA	**(2,576,373)**	(2,542,130)	**(8,123,471)**	(6,050,024)

Production costs included in the loss from operations are the direct and indirect costs incurred to grow cannabis plants to the point of harvest. Production costs include labour related costs, cultivation materials and consumables, utilities, facility costs and production related depreciation.

Expressed in Canadian dollars

FINANCIAL REVIEW AND RESULTS OF OPERATIONS

The following summary of financial information has been derived from the Interim Financial Statements:

	For the three months ended 2020	2019 (restated)*	For the nine months ended 2020	2019 (restated)*
Revenue				
Product sales	**3,725,367**	—	**5,447,144**	—
Excise taxes	**(558,581)**	—	**(834,312)**	—
Net Revenue	**3,166,786**		**4,612,832**	
Cost of sales				
Production costs	**2,053,801**	465,782	**5,492,933**	747,482
Inventory expensed to cost of sales	**1,293,663**	—	**1,938,413**	—
Inventory written off	**459,897**	—	**489,141**	—
Gross profit before fair value adjustments	**(640,575)**	(465,782)	**(3,307,655)**	(747,482)
Gain on changes in fair value of cannabis plants	**3,591,441**	1,454,099	**7,647,975**	1,756,860
Realized fair value of inventory sold	**(1,361,395)**	—	**(1,993,981)**	—
Fair value of inventory written off	**(2,264,159)**	—	**(2,647,344)**	—
Gross profit (loss)	**(674,688)**	**988,317**	**(301,005)**	**1,009,378**
Other income	**491,405**	—	**929,867**	—
Operating expenses				
Consulting, salaries and wages	**1,809,693**	1,225,189	**4,632,491**	2,783,558
General and administrative	**776,123**	733,126	**1,690,921**	2,396,418
Share-based compensation	**476,258**	787,995	**1,329,531**	2,454,883
Sales and marketing	**324,879**	196,875	**578,185**	473,386
Depreciation and amortization	**42,304**	199,514	**74,886**	394,039
	3,429,257	3,142,699	**8,306,014**	8,502,284
Loss from operations	**(3,612,540)**	(2,154,382)	**(7,677,152)**	(7,492,906)
Interest on loans	**559,119**	610,654	**1,658,278**	965,781
Foreign exchange loss	**107,671**	11,569	**208,505**	20,949
Loss from continuing operations before income tax	**(4,279,330)**	(2,776,605)	**(9,543,935)**	(8,479,636)
Income tax recovery	**—**	—	**—**	74,335
Net loss from continuing operations	**(4,279,330)**	(2,776,605)	**(9,543,935)**	(8,405,301)
Net loss from discontinued operations	**(37,918)**	(1,677,848)	**(396,535)**	(1,837,264)
Net loss for the period	**(4,317,248)**	(4,454,453)	**(9,940,470)**	(10,242,565)
Total comprehensive loss	**(4,187,147)**	(4,299,700)	**(9,257,697)**	(10,622,127)

**Restated due to discontinued operations*

Revenue and Other income

Rubicon Organics began sales of two strains of organic certified cannabis flower in the form of 3.5-gram jars of Simply Bare™ Organic in February 2020. The first two strains launched were BC Organic Blue Dream and BC Organic Creek Congo. The Agro-Greens Agreement allowed for initial market entry of Simply Bare™ Organic cannabis products into the Canadian consumer marketplace prior to the Company's receipt of its Sales License in May 2020. In Q2 2020, the Company began selling directly to the BCLDB, OCS and AGLC, although it continues to work with Agro-Greens as the local distributor for sales of its cannabis products to Saskatchewan and Manitoba as well as for the medical route to market. Given the administrative process from the receipt of the Sales License, the signing of direct supply agreements with the provincial boards, and placement of initial orders by the provinces, the Company's first product shipments directly to provincial distributors commenced in June 2020.

In the third quarter, Rubicon Organics earned $3,166,786 of net revenue which is an increase of $2,174,783 or 219% as compared to the second quarter (Q2 2020 - $992,003). This increase in net revenue is attributable to higher sales volume under both the Agro-Greens Agreement and direct sales to provincial suppliers. Approximately 95% of net revenue in the quarter was processed directly with the provincial suppliers under the Company's own supply agreements. In July 2020, the Company began deliveries of whole flower Simply Bare™ Organic pre-rolls. For the three months ended September 30, 2020, Simply Bare™ Organic pre-rolls accounted for approximately 35% of net revenue.

In addition to larger distribution and increased sales, in the third quarter 2020, the Company launched an additional strain, BC Organic Charlotte CBD, making five total strains available to consumers in both 3.5-gram jar format and pre-rolls. This additional strain was made available and first shipped in July 2020.

Other income consists of amounts received from the Government of Canada in connection with the Canada Emergency Wage Subsidy program, part of Canada's COVID-19 relief measures.

Production costs

Under the Company's accounting policy, production costs are expensed as incurred. These production costs consist of labour, crop inputs, overheads incurred in the cultivation of cannabis plants to the point of harvest, and allocated depreciation. This means that the costs capitalized to inventory are limited to post harvest costs and the cannabis plants' fair value calculated under IAS 41. The methodology applied means unless the product is produced and sold in the period, the production costs associated with any inventory held are expensed prior to revenue being derived. As the Company reached full cultivation capacity in Q3 2020, production costs reflect the costs of operating at full capacity.

In the three and nine months ended September 30, 2020, the Company incurred production costs of $2,053,801 and $5,492,933, respectively (September 30, 2019 – $465,782 and $747,482, respectively). In the three and nine months ended September 30, 2020, production costs included $345,904 and $974,992 of depreciation expense. From January to September 2020, the Company ramped up cultivation activities and planted in all compartments; production costs in Q3 2020 reflect this ramp up resulting in larger production costs relative to the sales in the quarter (i.e. inventory build). As the facility reaches steady sales volumes in Q4 2020, production costs are expected to stabilize and become a smaller proportion of quarterly sales, resulting in gross profit improvement.

Inventory Expensed to Cost of Sales

After cannabis is harvested, the remaining costs incurred in drying, processing and packaging are capitalized to inventory and expensed once a finished good is sold and associated revenue is recorded. In the three and nine months ended September 30, 2020, the inventory expensed to cost of sales was $1,293,663 and $1,938,413, respectively (September 30, 2019 – $nil and $nil, respectively). In the three and nine months ended September 30, 2020, inventory expensed to cost of sales included $86,215 and $129,549 of depreciation expense. Inventory expensed to cost of sales was 41% and 42% of net revenue for the three and nine months ended September 30, 2020, respectively. Given that the company is building up scale and the existing costs were recorded against a relatively low net revenue figure, the ratio of inventory expensed to net revenue is expected to improve over the coming quarters.

Inventory written off – cost of sales and fair value

Rubicon Organics adheres to strict internal quality standards. In the quarter, our team assessed that certain flower did not meet the quality standard that we believe in and that consumers have come to expect from Simply Bare™ Organic flower or certain other factors impacting quality or saleability. The affected batches were written down to their estimated net realizable value. Of this inventory, the amount of post harvest cost incurred and capitalized to inventory, including depreciation, was $459,897 and $489,141 in the three and nine months ended September 30, 2020. In addition, there was $2,264,159 and $2,647,334 of non-cash fair value gain associated with this cannabis inventory that was written down. Certain of this cannabis product that has been written down is expected to have alternative use in our cannabis 2.0 pipeline and therefore remains in inventory at a reduced valuation.

Fair value adjustments of cannabis plants (non-cash)

The Company records the estimated fair value of cannabis plants as they are grown at the Delta Facility. The gain for the three and nine months ended September 30, 2020 and 2019 was determined using a model to estimate the fair value less costs to sell of cannabis plants using the stage of plant growth at the period end and expected harvest yield per plant applied to the estimated fair value less costs to sell per gram of dried flower. The gain in Q3 2020 is higher than in Q3 2019 due to the scale of cultivation achieved by September 30, 2020 compared with the period ended September 30, 2019.

Operating expenses

Overall, operating expenses have increased year-over-year with the ramp up of operations at the Delta Facility. We have expanded our operations team to support steady state production, are spending on research and development in the cannabis 2.0 market and are working to develop new brands to expand our organic certified cannabis offering in the Canadian market. The Company has incurred additional cost in relation to personal protective equipment and additional space for social distancing on site due to the COVID-19 pandemic.

The Company onboarded more senior personnel in the third quarter to meet the needs of our increased operations and for the expected growth of the business. Headcount increases included the build out of the supply chain, innovation, operations management, commercial and sales teams. The Company anticipates that salaries expense may increase moderately in the remainder of 2020 where certain critical roles are added at the Delta Facility as well as an increase of sales personnel with expected increased distribution and sales. People costs for the three and nine months ended September 30, 2020 were $1,809,693 and $4,632,491, respectively (September 30, 2019 - $1,225,189 and $2,783,558 respectively). Consulting, salaries and wages includes a catch-up expense for executive salary changes in 2020 in the amount of $318,750 and additional accrued bonuses of $203,906. While our cash spend on consulting, salaries and wages increased with the additional headcount needed to support steady state operation of the Delta Facility, much of this has been expensed through production costs or capitalized to inventory.

General and administrative expenses consist of certain short-term leases, insurance, professional and legal fees, investor relations fees, and office expenses. General and administrative costs for the three and nine months ended September 30, 2020 were $776,123 and $1,690,921, respectively (September 30, 2019 – $733,126 and $2,396,418, respectively). The nine-month comparative shows a decrease of $705,497 period over period as many costs during ramp up in 2019 were expensed while costs in 2020 reflect those directly utilized in production, resulting in costs now classified as production cost or capitalized to inventory. The three-month comparative shows an increase of $42,997 due primarily to increased insurance premiums required to expand the Canadian operation. The Company expects its insurance premiums to rise again in 2021 with the growth of its business as well as tightness in the insurance market and broad premium increases in the cannabis sector.

Non-cash share-based compensation reflects the issuance of stock options to new and existing employees and deferred share units to directors. The decrease period over period is the result of fewer options granted in recent periods and fewer options vesting overall.

Sales and marketing expenses consist of the costs to maintain the Simply Bare™ Organic brand, carry out marketing initiatives, and develop new brands. Sales and marketing expenses for the three and nine months ended September 30, 2020 were $324,879 and $578,185, respectively (September 30, 2019 – $196,875 and $473,386, respectively). Sales and Marketing expenditure increased period over comparable period due to increased selling effort to bring Simply Bare™ Organic into the Canadian retail space, maintenance of the Simply Bare™ Organic brand that was launched in December 2019, as well as for the development of new brands in our innovation pipeline. In 2020, the Company has kept its sales and marketing costs very lean, but these costs are expected to grow in line with revenue growth over the coming year.

Discontinued operations

In April and May 2020, the Company sold all its US cannabis related assets. Loss from discontinued operations for the three and nine months ended September 30, 2020 was $37,918 and $396,535, compared to $1,677,848 and $1,837,264 for the three and nine months ended September 30, 2019, respectively. The loss for the three months ended September 30, 2020 results primarily from legal costs related to the wind down and dissolution of the Company's US entities. For the three and nine months ended September 30, 2019, the loss reflects a provision for credit losses related to uncollectible rental income of $1,271,328 and operating costs of $406,520 and $1,828,308, respectively.

Other comprehensive income (loss)

The other comprehensive income (loss) with respect to foreign currency translation difference varies at each reporting date and is a result of fluctuations between the US Dollar and the Canadian Dollar. This foreign currency translation difference includes the impact of foreign exchange on intercompany loans whose retranslation is treated as equity (until the foreign operation is disposed of) and the translation of the foreign operation from its functional currency into Canadian Dollars. For the three and nine months ended September 30, 2020, the impact of the foreign currency translation differences was other comprehensive loss of $130,101 and $682,773, respectively (September 30, 2019 – gain of $154,753 and loss of $379,562, respectively).

SUMMARY OF QUARTERLY RESULTS

The following table summarizes quarterly financial results for Rubicon Organics for the last eight quarters:

	2020			2019				2018
(C$000's)	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Net revenue	3,167	992	454	—	—	—	—	—
Net loss for the period	(4,317)	(1,815)	(3,808)	(4,031)	(4,454)	(3,458)	(2,331)	(4,672)
Weighted average shares outstanding (000's)	46,148	42,047	40,041	40,041	38,122	36,811	36,811	36,811
Net loss per share, basic and diluted	(0.09)	(0.04)	(0.10)	(0.10)	(0.12)	(0.09)	(0.06)	(0.12)

Revenue in 2020 relates to the sale of the Company's Simply Bare™ Organic flower in British Columbia, Alberta, Ontario, Saskatchewan and Manitoba. The Company had not commenced sales in Canada prior to 2020. The net loss of the Company grew quarter over quarter until Q4 2019, as the Company has grown and expanded its team to prepare for sustained operations. In 2020, the quarterly loss was lower in Q2 as the Company experienced increased product sales. In Q3, the Company wrote down $2,724,056 of inventory resulting in a higher loss despite an increase in revenue of $2,174,783. For a detailed review of the three and nine months ended September 30, 2020, refer to the results analysis under '*Financial Review and Results of Operations*'.

LIQUIDITY AND GOING CONCERN

As at September 30, 2020, the Company had cash available of $8,061,527 and working capital of $917,958, including the impact of debt due in the next twelve months which we expect to refinance. Operating activities in the nine months ended September 30, 2020 used $12,263,168 of cash, largely driven by the costs of preparing and executing full scale operations at the Delta Facility. Further, the Company continued to invest in the Delta Facility to optimize the five cultivation compartments and expand and optimize the processing area.

During the nine months ended September 30, 2020, the Company received $8,638,845 in net proceeds from the sale of its Washington Facility and $13,311,970 in net proceeds from equity financing. The Company has current debt of $13,492,278. In August 2020, the Company exercised its six-month extension option on the $5,000,000 first mortgage secured by the Delta Facility, extending its maturity to March 31, 2021. As the Company moves toward profitability in 2021, it expects to refinance all debt maturing in 2021 to a long-term mortgage financing facility at lower interest rates and may seek other capital through equity and debt arrangements.

The Interim Financial Statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company began sales in Canada in 2020 but as at September 30, 2020, the Company had not yet achieved profitable operations and had accumulated losses of $66,280,283 since its inception. Although the Company expects to achieve positive operating cashflows within the next twelve months, until such time that this is achieved, the continuing operations of the Company are dependent upon its ability to obtain debt or equity financing. There can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company.

In addition, the COVID-19 pandemic has created a dramatic slowdown in the global economy. The duration of the COVID-19 outbreak and the resultant travel restrictions, social distancing, Government response actions, business closures and business disruptions, can all have an impact on the Company's operations and access to capital. The Company has taken extensive measures to protect and sustain its operations during the pandemic but there can be no assurance that the Company will not be further impacted by adverse consequences that may be brought about by the COVID-19 pandemic on access to markets and supplies and global financial markets which may see reduced share prices and financial liquidity and thereby severely limit the financing capital available.

The above conditions present material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. The Financial Statements and Interim Financial Statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

CAPITAL RESOURCES

The Company has the following contractual obligations as at September 30, 2020:

(C$000's)		Payments due by period			
Contractual obligations[1]	**Total**	**1 year**	**1-3 years**	**4-5 years**	**After 5 years**
Office lease[2]	387,596	147,936	239,660	—	—
Lease liability[3]	60,475	26,086	34,389	—	—
Total contractual obligations	**448,071**	**174,022**	**274,049**	**—**	**—**

[1] Mortgage related contractual obligations are disclosed in note 13 of the Financial statements.

[2] Office lease relates to the right-of-use Vancouver head office.

[3] Related to right-of-use tractors

Since March 2020, all compartments of the Delta Facility have been commissioned and are under cultivation, with most of the planned optimization work complete. The Company is in the process of installing supplemental LED lighting in the final three out of the five compartments. In the event that further capital improvements are deemed necessary, the Company will likely be funded in the future through operating cash flows, debt and equity sources.

OUTSTANDING SHARE DATA

The Company's authorized share capital consists of an unlimited number of common shares without par value.

As at November 24, 2020 the Company has the following securities outstanding:

	Number of units
Common Shares	47,119,256
Stock Options	4,825,083
Warrants	10,227,749
Deferred Share Units	150,000
Fully Diluted Shares Outstanding	**62,322,088**

PROPOSED TRANSACTIONS

There are no undisclosed proposed transactions that will materially affect the Company.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any material off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Accounts payable and accrued liabilities at September 30, 2020 included $4,604 (December 31, 2019: $75,459) owed to executives and directors of the Company for expenses paid on behalf of the Company.

In January and February 2020, the Board approved revolving credit lines with the CEO, CFO, CSO, President, and a shareholder of the Company for aggregate proceeds of up to $1,350,000 at an annual interest rate of 12% requiring repayment no later than December 31, 2020. On April 21, 2020, the amount was increased to $1,850,000.

On April 22, 2020, the Company repaid $335,377 of accrued salaries and expenses to the CEO, CFO, CSO, and President as well as $100,000 in principal and $2,926 in interest to the CFO amounts drawn on the revolving credit line. On May 19, 2020, the Company repaid $1,000,000 in principal and $32,795 in interest to the CEO and shareholder for amounts drawn on the revolving credit line.

Expressed in Canadian dollars

Compensation of key management personnel
Key management personnel are those persons having the authority and responsibility for planning, directing and controlling activities of the entity, directly or indirectly. The key management personnel of the Company are the members of the Company's executive management team and Board of Directors.

Key management compensation was comprised of:

	For the nine months ended	
	September 30, 2020	September 30, 2019
	$	$
Salaries	**1,187,437**	812,553
Bonuses in accrued liabilities	**758,906**	—
Share based compensation	**834,148**	1,615,558
Total compensation of key management personnel	**2,780,491**	2,428,111

On August 17, 2020, $448,750 in bonuses was paid in connection with amounts previously accrued for the year ended December 31, 2019.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Financial Statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the Financial Statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

Management considers the policies described in note 3 of the Financial Statements and Interim Financial Statements to be the most critical in understanding the judgments that are involved in the preparation of the Company's Financial Statements and the uncertainties that could impact its results of operations, financial condition and cash flows.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

IFRS 15 – Revenue from contracts with customers ("IFRS 15")

The following is the Company's policy for accounting for revenue from contracts with customers in accordance with IFRS 15:

Revenue is recognized at the amount of consideration that the Company expects to be entitled to in exchange for transferring promised goods to a customer. Revenue from the sale of goods is recognized when control of the goods has transferred, as determined by respective shipping terms and subject to certain additional considerations, as this is when the Company has satisfied its performance obligation under the contract. The Company does not have performance obligations after the delivery on sale of goods to customers. Net revenue is presented net of a variable sales allowance to account for the potential return of goods, as well as applicable excise taxes.

IAS 20 – Accounting for Government Grants and Disclosure of Government Assistance ("IAS 20")

The following is the Company's policy for accounting for government grants and disclosure of government assistance in accordance with IAS 20:

Government grants and assistance that compensate the Company for expenses incurred are recognized in profit or loss as other income on a systematic basis in the periods in which the expenses are recognized, unless the conditions for receiving the grant or assistance are met after the related expenses have been recognized. In that case, the grant is recognized when it becomes receivable.

FINANCIAL INSTRUMENTS

The Company classifies its financial assets and liabilities depending on the purpose for which the financial instruments were acquired, their characteristics, and management intent as outlined below:

Cash	Fair value through profit or loss ("FVTPL")
Accounts receivable	Amortized cost
Due from related parties	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Due to related party	Amortized cost
Lease liabilities	Amortized cost
Loans and borrowings	Amortized cost
Investment	FVTPL

The fair values of accounts receivable, due from related parties, accounts payable and accrued liabilities, and due to a related party approximate their carrying amounts due to the short-term maturity of those instruments.

Loans and borrowings were incurred to fund the purchase and retrofitting of the Delta Facility and to fund operations. Refer to note 13 in the Financial Statements for more information on loans and borrowings.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The main types of risk are credit risk, liquidity risk and market risk. These risks arise throughout the normal course of operations and all transactions are undertaken as a going concern. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company is exposed to credit risk on its cash and accounts receivable. The carrying amount of these assets represent the maximum credit exposure. As at September 30, 2020, the Company had trade receivables of $55,889 with one customer, Agro-Greens. Its remaining accounts receivable were with government agencies where credit risk is limited. Since the inception of the Company, no losses have been suffered in relation to cash held by its banking institutions.

The Company limits exposure to credit risk by maintaining its cash with institutions of high credit worthiness.

Institution	**$**
National banks	8,061,370
Cash	190

The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses credit quality of the counterparties, taking into account their financial position, past experience and other factors. Credit risk is mitigated by entering into arrangements with reputable and stable counterparties and frequent reviews of exposure to individual entities.

An impairment analysis of receivables is performed at each reporting date and the balances are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan and a change in the commercial terms associated with the balance held.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash. The Company manages its capital in order to meet short term business requirements, after taking into account cash flows, capital expenditures and cash holdings. The Company believes that these sources should be sufficient to cover the likely short-term requirements. In the long term, the Company may have to issue debt or additional common shares to ensure that there is cash available for its programs.

All current liabilities, being accounts payable, accrued liabilities, the current portion of the loans and borrowings and due to related parties, are payable within one year and are to be funded from cash. Long term liabilities consist of the loans and borrowings.

Interest rate risk

Interest rate risk is the risk the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's debts are all held at fixed interest rates and no significant interest rate risk applies.

Foreign exchange risk

The Company and its subsidiaries conduct business in foreign countries, with certain transactions denominated in currencies other than the functional currency of the Company or the subsidiaries conducting the business. Foreign currency transactions are exposed to currency risk due to fluctuations in foreign exchange rates.

For the nine months ended September 30, 2020 the Company was exposed to currency risk through the following assets and liabilities denominated in US$:

		September 30, 2020	December 31, 2019
		$	$
Cash		**196,672**	1,433,813
Accounts payable and accrued liabilities		**(633,622)**	(345,811)
	US$	**(436,950)**	1,088,002

A 10% change of the US$ against the C$ at September 30, 2020 would have decreased net loss by $58,285 (December 31, 2019 - $137,413) or increased net loss by $58,285 (December 31, 2019 - $137,413).

Fair value

The Company classifies its fair value measurements with a fair value hierarchy, which reflects the significance of the inputs used in making the measurements as defined in IFRS 13 – *Financial Instruments; Fair Value Measurement* ("IFRS 13").

Level 1 – Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.
Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
Level 3 – Unobservable inputs which are supported by little or no market activity. As required by IFRS 13, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Cash is classified as a Level 2 financial instrument.

There were no transfers within the fair value hierarchy during the nine months ended September 30, 2020.

The Company does not hold any Level 1 financial assets or liabilities that are based on unadjusted quoted prices trading in active markets.

CAPITAL MANAGEMENT

It is management's objective to safeguard its capital in order that it will be able to continue as a going concern in the best interests of all stakeholders.

The Company currently has limited sources of revenues and as such the Company is dependent upon external financings and debt to fund activities. In order to finance future projects and to pay for administrative activities, the Company will spend its existing working capital and raise additional funds through debt, equity, or a combination thereof as needed until it reaches profitable operations. Management reviews its capital management practices on an ongoing basis and believes that their approach, given the relative size of the Company, is reasonable. There have been no changes to the Company's capital management program during the nine months ended September 30, 2020.

RISKS AND UNCERTAINTIES

The Company is exposed to risks and uncertainties relating to the business of the Company that should be considered by both existing and potential investors. The risks and uncertainties appearing in the Company's Management, Discussion and Analysis dated April 21, 2020, for the years ended December 31, 2019 and December 31, 2018 are qualified in their entirety by reference to, and must be read in conjunction with, the Company's Annual Information Filing dated July 27, 2020, for the years ended December 31, 2019 and December 31, 2018. The detailed information appearing in the Company's Annual Information Filing dated July 27, 2020, for the years ended December 31, 2019 and December 31, 2018 is intended to serve as an overview and should not be considered comprehensive. Investing in the Company's common shares involves significant risks. The Company may face additional risks and uncertainties not discussed in this section, or not currently known to us, or that we deem to be immaterial. All risks to the Company's business have the potential to influence its operations in a materially adverse manner. Many factors could cause the Company's results of operations, performance and financial condition to differ materially from those expressed or implied by the forward-looking statements and forward-looking information contained in this MD&A.

CONFLICTS OF INTEREST

To the best of our knowledge, there are no known existing or potential material conflicts of interest among us and our directors, officers or other members of Management as a result of their outside business interests except that certain of our directors and officers serve as directors, officers or advisors of other companies, and therefore it is possible that a conflict may arise between their duties to us and their duties as a director, officer or advisor of such other companies.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements contained in this MD&A are forward-looking statements, such as estimates and statements that describe the Company's plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur.

Forward-looking statements may be identified by such terms as "believes", "if", "expects", "estimates", "may", "could", "should", "will", "intends" and similar expressions. Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties.

Although the Company believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate. Forward-looking statements are based on certain assumptions and analyses made by the Company considering the experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate and are subject to risks and uncertainties. In making the forward-looking statements included in this MD&A, the Company has made various material assumptions, including but not limited to (i) information or statements concerning the Company's expectations of financial resources availability to fund operations; (ii) obtaining the necessary regulatory approvals; (iii) that regulatory requirements will be maintained; (iv) general business and economic conditions; (v) the Company's ability to successfully execute its plans and intentions; (vi) the Company's ability to obtain financing at reasonable terms though the sale of equity and/or debt commitments; (vii) the Company's ability to attract and retain skilled staff; (viii) market competition; (ix) the products and technology offered by the Company's competitors; (x) that our current good relationships with our suppliers, service providers and other third parties will be maintained; and (xi) the impact of the current global health crisis caused by COVID-19 pandemic.

Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of numerous risks, uncertainties and other factors including: general risks associated with the COVID-19 global pandemic, the legal status of cannabis cultivation, distribution and sales in the US and Canada; changes in general economic conditions and conditions in the financial markets; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; uncertainty about the Company's ability to continue as a going concern; risk that the Company will not obtain or retain any relevant licenses; technological and operational difficulties encountered in connection with the Company's activities; changing foreign exchange rates and other matters discussed in this MD&A.

The global pandemic related to an outbreak of the COVID-19 novel coronavirus disease has cast uncertainty on the Company's assumptions. There can be no assurance that they continue to be valid. Given the rapid pace of change, it is premature to make further assumptions about these matters. The COVID-19 outbreak was declared a pandemic by the World Health Organization in 2020. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and our business are not known at this time. These impacts could include an impact on our ability to maintain operations, to obtain debt and equity financing, access to necessary supplies, credit risk associated with our accounts receivable, impairments in the value of our long-lived assets, or potential future decreases in revenue or the profitability of our ongoing operations. The Company continues to work diligently to ensure operations continue and product is delivered while continuing to emphasize the safety of our product and employees.

Although we have attempted to identify factors that would cause actual actions, events or results to differ materially from those described in forward-looking statements and information, there may be other factors that cause actual results, performances, achievements or events to not be as anticipated, estimated or intended. Many of the factors are beyond our control. This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. These and other factors should be considered carefully, and readers should not place undue reliance on the Company's forward-looking statements. We disclaim any intention and assume no obligation to update any forward-looking statements even if new information becomes available, as a result of future events, new information, or for any other reason except as required by law. These forward-looking statements are made as of the date hereof. Additional information related to us is available by accessing the Canadian Securities Administrators' System for Electronic Document Analysis and Retrieval ("SEDAR") website at www.sedar.com.

ADDITIONAL INFORMATION

Additional information related to the Company is available on the Company's website at www.rubiconorganics.com and through its public filings on www.sedar.com.

Expressed in Canadian dollars

RUBICON ORGANICS INC.

Head Office	Unit 505 - 744 West Hastings Street Vancouver, BC, Canada, V6C 1A5 +1 604 331-1296
Registered & Records Office	C/O Borden Ladner Gervais LLP 1200 Waterfront Centre, PO Box 48600, 200 Burrard Street Vancouver, BC, Canada, V7X 1T2
Directors	Margaret Brodie Bryan Disher David Donnan Jesse McConnell John Pigott
Officers	Jesse McConnell – Chief Executive Officer Margaret Brodie – Chief Financial Officer Tim Roberts – President Peter Doig – Chief Scientific Officer
Registrar and Transfer Agent	Odyssey Trust Company 323-409 Granville Street Vancouver, BC, Canada, V6C 1T2
Auditor	Deloitte LLP, Chartered Professional Accountants 939 Granville Street Vancouver, BC, Canada, V6Z 1L3
Solicitors	Borden Ladner Gervais LLP 1200 Waterfront Centre, PO Box 48600, 200 Burrard Street Vancouver, BC, Canada, V7X 1T2
Shares Listed	TSX Venture Exchange Trading symbol: ROMJ OTCQX Best Market Trading symbol: ROMJF
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