VERT INFRASTRUCTURE LTD.

(Formerly Crop Infrastructure Corp.)

(“CROP” or the “Company”)
Quarterly Report
For Period Ended November 30, 2019

MANAGEMENT’S DISCUSSION AND ANALYSIS

1.1 Date of Report: January 24, 2020

The following management’s discussion and analysis (“MD&A”) has been prepared as of January 24, 2020 and should be read in conjunction with the condensed consolidated interim financial statements and accompanying notes for the period ended November 30, 2019, which are prepared in accordance with International Financial Reporting Standards (“IFRS”). All amounts are stated in Canadian dollars unless otherwise indicated.

This MD&A includes certain statements that may be deemed “forward-looking statements”. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "plan", "estimate", "expect", "may", "project", "predict", "potential", "could", "might", "should" and other similar expressions. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

1.2 Nature of Business

Crop Infrastructure Corp. (“Crop”) was incorporated on August 31, 2011, under the British Columbia Business Corporations Act. On January 15, 2020, the Crop changed its name Vert Infrastructure Ltd. (“Vert” or the “Company”) and effected a change in directors, management and business. The listing symbol also changed from “CROP” to “VVV”. The Company’s head office is located at Suite 600, 535 Howe Street, Vancouver, V6C 2Z4. The Company is listed on the Canadian Securities Exchange (“CSE”).

On March 2, 2018, the Company completed a transaction pursuant to a business combination agreement dated November 3, 2017 with DV Infrastructure Corp. (“DVI”). The Company acquired all of the issued and outstanding common shares of DVI. The transaction resulted in a reverse takeover of the Company by the shareholders of the DVI. The Company intends to continue on with the business of DVI, with DVI as the Company’s wholly-owned operating subsidiary. The historical operations, assets and liabilities of DVI are included in the August 31, 2018 condensed consolidated interim financial statements, and the comparative figures are those of DVI, which is deemed to be the continuing entity for financial reporting purposes.

On January 15, 2020, the Company completed a share consolidation on the basis of fifteen pre-consolidation common shares for each post consolidation common share. As a result, all share amounts presented in this MD&A have been retroactively restated.

1.3 Overall Performance

Announcements and Highlights during the period ended November 30, 2019:

- On March 7th, 2019, the Company announced it has entered into an agreement with MYM Nutraceuticals Inc., (CSE: MYM) (OTCBB: MYMMF)("MYM") to partner with CROP's subsidiary, Elite Ventures Group LLC., on 120 acres of CBD-rich hemp in Nevada, USA.

- On March 12th, 2019, the Company announced that its Washington State tenant Wheeler Park ("The Park") has established a bulk cannabis customer relationship and its first 150 lbs of flower has been delivered at $400 per pound of its smaller flower and trim grown through the previous soil method.

- On March 20th, 2019, the Company announced updates on its Esmeralda County THC and Nye County CBD projects.

- On March 22nd, 2019, the Company announced that its Humboldt Holdings tenant Hempire has acquired a 25% interest in a licensed distribution company, with onsite non-volatile commercial cannabis manufacturing in California in return for purchasing additional required extraction equipment for the facility. As with all CROP tenant licences the company's subsidiary, in this case Humboldt Holdings, will have the right to acquire the licence interest should federal law change in favour of cannabis-THC.

- On April 3rd, 2019, the Company announced that it has been advised by its tenant brand sales team that the Hempire and Evolution brands are now available in 40 retail locations, mostly along the coastal cities of Washington.

- On April 11th, 2019, the Company announced that its Emerald Heights retail brand has started two additional retail applications in California.

- On April 17th, 2019, the Company announced that it has identified multiple Tenants for a roll out strategy to enter Oklahoma to target the Medical Cannabis market focusing on Cultivation, Extraction and Retail infrastructure. CROP will own 49% of the newly incorporated company.

- On April 23rd, 2019 the Company announced that it has completed the construction of its 57,600 square foot nursery in Nye County, Nevada.

- On May 2, 2019, the Company announced that its first Oklahoma farm's tenant, Hempire Oklahoma has been issued Medical Cannabis Cultivation and processing licenses at its 1 acre location in Purcell, Oklahoma where the company will focus on high grade flower and extraction. This is a separate location to the company's 20-acre property that is currently being readied for tenant planting for the 2019 season.

- On May 6th, 2019, the Company announced it has completed the purchase of the suite of Recreational Cannabis licenses and the 1,012-acre property in its Elite Ventures Group 49% interest holding.

- On May 8th, 2019, the Company announced that its investment holding World Farms Corp. has signed an LOI with Graphite Energy Corp (CSE: GRE) to go public via reverse takeover on the Canadian Securities Exchange. CROP currently owns 10,000,000 shares in World Farms Corp who also announced a $0.30 private placement in connection with the RTO.

- On May 30, 2019, the Company announced that Elite Ventures Group, LLC ("Elite"), a Nevada limited liability company in which CROP holds a 49% membership interest, in partnership with its licensee The Hempire Company, LLC ("Hempire" and, together with Elite, "Elite &

Hempire"), has entered into a supply agreement (the "Supply Agreement") with Bioscience Enterprises, Inc. ("Bioscience"), a California based cannabidiol ("CBD") isolate distribution company, to supply Bioscience with an aggregate of USD$89,500,000 in CBD isolate, with deliveries required to commence in November, 2019 and ending in March 2020, upon completion of the Supply Agreement's initial five-month term (the "Initial Term").

- The Company and Stratto, LLC formed Oklahoma Ventures Group, LLC, pursuant to an agreement whereby the Company owns 49% of Oklahoma Ventures Group, LLC and will provide advances to fund its operations.
- The Company issued 135,743 common shares in exchange for services and outstanding liabilities to various vendors.
- The Company issued 1,006,933 common shares for the exercise of stock options.
- The Company granted a total of 1,550,000 stock options to various consultants exercisable at a price range from $1.95 to $4.50 per common share for a period of one year from the date of grant.
- On June 5, 2019, the Company announced that its Park Project tenant is now at the 'self-sustaining' point as it launches its Tiff CBD cartridge line.
- On June 10, 2019, the Company announced that it intends to conduct a non-brokered private placement offering (the "Offering") of senior secured convertible debentures (the "Debentures") at an original issue discount of 20% with aggregate face value of up to $1,250,000 (the "Principal Amount"), for gross aggregate proceeds of up to $1,000,000.
- On June 14, 2019, the Company announced that the Company completed its previously announced non-brokered private placement offering (the "Offering") of senior secured convertible debentures (the "Debentures") at an original issue discount of 20%,with aggregate face value of up to $1,250,000 (the "Principal Amount"), for gross aggregate proceeds of up to $1,000,000.
- On June 21, 2019, the Company announced that its Emerald Heights retail brand has secured a provisional licence for a retail, delivery, and smoking lounge in Cathedral City, California, to vertically integrate its California brands.
- On June 25, 2019, the Company announced today that its 30% owned DVG, LLC partner has acquired additional facilities for a tenanted outdoor cannabis farm in Grant County, Washington.
- On July 10, 2019, the Company announced that Hempire has increased its ownership of Flip Distro to 51% for $100,000 in capital expenditures and product marketing at the distribution company.
- On July 24, the Company announced that its first batch of THC distillate cartridges derived from the 2018 harvest have passed heavy metal and pesticide testing consistent with the excellent initial test results after the 2018 harvest.
- On August 1, 2019, the Company announces that Elite Ventures Group LLC("Elite"), a limited liability company organized and existing under the laws of the State of Nevada in which the Company holds a 49% membership interest, has entered into two commercial real estate purchase agreement (the "Property Purchase Agreement") with Trinity Global Investments LLC("Trinity Global") dated July 15, 2019, pursuant to which Trinity Global has agreed to purchase certain real property located in Tonopah, Nevada (together, the "Nevada Property") owned by Elite.

- On August 8, 2019, the Company announced that its tenanted California farm received and executed its first order from its 2018 harvest totaling $41,625 in whole flower. CROP's tenanted Washington facility sold $83,749 in newly harvested flower, both in the first week of August.

- On August 21, 2019, the Company announced a warrant exercise incentive program (the "Program") intended to encourage the exercise of up to 2,120,769 outstanding common share purchase warrants.

- On September 25, 2019, the Company announced it has completed September site visits in Nevada with its consultants and joint venture partners at the hemp and THC farms where weeds have caused major losses. After drone reconnaissance, and sample plant counts were completed, it was sestablished that eight of 10 of the company's hemp pivots have been severely affected by invasive weeds.

- On October 10, 2019, the Company announced major management actions to remedy recent operational failures from its investments and implement improved reporting protocols throughout its structure, including its investments.

- on November 7, 2019, the Company to announce that it has signed a non-binding letter of intent (the "LOI") with MYM Nutraceuticals Inc. ("MYM"),whereby MYM will acquire all of the issued and outstanding common shares of the Company (each, a "Share") by way of a plan of arrangement under the Business Corporations Act (British Columbia) ("BCBCA"), resulting in CROP becoming a wholly-owned subsidiary of MYM(the "Proposed Transaction").

- On November 26, 2019, the announced that further to its press release dated November 7, 2019, its non-binding letter of intent (the "LOI") with MYM Nutraceuticals. ("MYM") has been terminated.

- Management continued to actively focus on capital raising to support the company's business, marketing initiatives and general working capital.

1.4 Results of Operations

Period ended November 30, 2019 and 2018

During the period ended November 30, 2019, the Company incurred net loss of $6,319,146 (November 30, 2018 - $14,318,892). The net loss includes share-based compensation of $2,033,406 (November 30, 2018 - $5,136,330). As at November 30, 2019, the Company had a negative working capital of $5,648,532 (February 28, 2019 - $2,871,917) and an accumulated deficit of $22,417,438 (February 28, 2019 - $16,043,517).

On February 25, 2019, the Company sold its interest in two subsidiaries in exchange for 10,000,000 common shares of a private corporation. The fair value of the common shares received was determined to be $1,000,000.

During the period, the Company incurred professional fees in the amount of $346,525 compared to $2,181,952 during the prior year due to decreased third party consulting services and operational activities of the Company. The balance in prior year professional fees consisted mainly of RTO, more corporate activities and operational activities of the Company.

During the period, the consulting fees decreased to $806,557 from $1,196,818 due to decrease in consulting services in connection with the RTO, and proposed business operation expansion.

Advertising and promotion decreased to $1,882,501 compared to $4,547,967 in prior year mainly due to less marketing and promotional efforts and actively promoting its business and market awareness during the period.

During the period, the Company incurred general and administration expenses of $314,859 compared to $185,189 during the prior year due to the start up of the business and commencement of operational activities. The Company has no payroll and engages consultants on as needed basis.

The Company incurred $714,319 in interest and accretion on convertible debentures during the period compared to $nil in the prior year due to no convertible debentures in prior year.

During the period ended November 30, 2019, the Company incurred travel expense in the amount of $15,558 primarily attributable to site visit expenses compared to $76,847 in prior year as less travel was required at that stage of the Company's development.

The Company incurred transfer agent fees in the amount of $52,159 mainly due to exercise of stock options and warrants in the period.

The Company recorded $249,999 amortization expense on its intangible assets on distribution rights in Italy for a period of three years, which was acquired in February 2019.

SUMMARY OF QUARTERLY RESULTS

The following is selected financial information as prepared in Canadian dollars under International Financial Reporting Standards derived from the Company's most recently completed fiscal quarters:

	Revenue $	Net Loss for the Period $	Basic and Diluted Loss Per Share $
February 28, 2018	–	(258,120)	(0.06)
May 31, 2018	–	(4,281,672)	(0.89)
August 31, 2018	–	(4,963,013)	(0.77)
November 30, 2018	–	(5,074,206)	(0.67)
February 28, 2019	–	(1,110,011)	(0.12)
May 31, 2019	–	(3,375,352)	(0.32)
August 31, 2019	–	(1,851,476)	(0.17)
November 30, 2019	–	(1,191,079)	(0.10)

1.5 Liquidity and Capital Resources

As at November 30, 2019, the Company has total assets of $27,185,310 and a negative working capital of $5,648,532.

At November 30, 2019, the Company had cash of $1,796 (February 28, 2019- $5,661,994) and a negative working capital of $5,648,532 (February 28, 2019- negative $2,871,917). As of November 30, 2019, the Company advanced DVG LLC $1,830,758 and Humboldt $3,274,568 to commence operations. Also, the Company advances to Wheeler Park Properties LLC $6,507,938, Elite Ventures LLC $12,311,807, Ocean Green Management LLC $73,242, Oklahoma Venture Group LLC $338,224 as part of the JV Agreements. The advances secured by the assets of the Company they were advanced to. The advances are non-interest bearing and have no fixed terms of repayment.

Cash utilized in operating activities during the period ended November 30, 2019, was $1,853,002 (November 30, 2018 – $6,091,014).

At November 30, 2019, share capital was $40,034,713 comprising 11,466,092 issued and outstanding common shares.

As at November 30, 2019, the principal amount of $309,900 in the form of an interest-free loan is unsecured and due on demand.

At present, the Company's operations generate minimal cash inflows and its financial success after November 30, 2019 is dependent on management's ability to continue to obtain sufficient funding to sustain operations through the development.

The Company may not be able to generate sufficient cash flows from its operations in the foreseeable future to support its working capital needs. As a result, the Company will have to rely on funding through future equity issuances and through short term borrowing in order to finance ongoing operations and the construction. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all.

1.6 Share Capital

As at November 30, 2019, the Company had 11,466,092 common shares issued and outstanding, of which 419,010 common shares remain in escrow.

1.7 Share Purchase Warrants

As at November 30, 2019, the Company had 3,041,972 share purchase warrants issued and outstanding. The warrants are exercisable ranging from $1.80 to $11.25 and expire between November 2, 2019 and June 4, 2022. The weighted average life remaining for the warrants was 1.43 years.

1.8 Stock Options

Stock Option Plan

On March 22, 2012, the Company approved a Stock Option Plan (the "Plan") authorizing the issuance of a maximum of 10% of the Company's outstanding common shares on each grant date, inclusive of all shares reserved for issuance pursuant to previously granted stock options. Stock options to purchase common shares of the Company under the Plan may be granted by the Board of Directors to a director, officer, employee or consultant of the Company. The stock options are subject to vesting limitations, exercise price, and exercise periods, to a maximum term of 5 years, as determined by the Board of Directors.

As at November 30, 2019 and the date of this report, there are 791,067 stock options outstanding. The options are exercisable ranging from $1.95 to $7.50 and expire between February 26, 2020 and February 21, 2021. The weighted average life remaining for the options was 0.51 years.

1.9 Off Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed. The Company is not a party to any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on the Company's financial condition, changes in financial condition, revenues, expenses, results of operations, liquidity, capital expenditures or capital resources.

1.10 Transactions with Related Parties

Key management personnel receive compensation in the form of short-term employee benefits, share-based payments, and post-employment benefits. Key management personnel include the Chief Executive Officer, Chief Financial Officer, and directors of the Company. The remuneration of key management is as follows:

	Period ended November 30, 2019	Period ended November 30, 2018
	$	$
Consulting fees paid to officers and directors	35,000	181,044
Professional fees paid to officers	163,382	282,504
Share-based compensation	-	-
	198,382	463,548

As at November 30, 2019, the Company has advanced $64,785 (February 28, 2019 - $64,785) to a company under common control. The amount is unsecured, non-interest bearing, and has no fixed terms of repayment.

1.11 Subsequent Events

- On December 3, 2019, the Company announced that Twila Jensen has resigned from the Board of Directors, effective immediately and Mr. Arif Merali is appointed to the Board of Directors.
- On DECEMBER17, 2019, the Company announced that Christine Mah has resigned from the Board of Directors, effective immediately and Ms. Victoria Bosticis appointed to the Board of Directors
- On January 10, 2020, the Company announced a proposed restructuring to divest itself of its underperforming assets, monetize its producing assets and consolidate its share capital in order to facilitate future equity financings.
- On January 13, 2020, the Company announced that, effective January 13, 2020, Michael Yorke has stepped down as the Chief Executive Officer ("CEO") of the Company and that Arif Merali has been appointed as the Company's interim CEO. Mr. Yorke remains a director of the Company. The Company wishes to thank Mr. Yorke for his contributions as CEO.The Company also announces that the effective date of the proposed consolidation of its issued and outstanding common shares (the "Consolidation") has been amended from January 15, 2020 to January16, 2020. In connection therewith, the Company also announced that it expected to change its name to "Vert Infrastructure Corp" and, effective at the commencement of trading following the proposed Consolidation, that it expected to trade its common shares under the new stock symbol "VVV". The Company wishes to clarify that the suffix "Corp" was announced in error as the Company's name is expected to be changed to "Vert Infrastructure Ltd."

1.12 Critical Accounting Estimates

The preparation of condensed consolidated interim financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which affect the application of accounting policies and the reported amounts of assets, liabilities and expenses. Actual results may 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 estimate is revised and in any future periods affected. The determination of listing expense, valuation of shares and warrants deemed issued in connection with the reversed acquisition, and the assumptions and models used for estimating fair value for share-based payment transactions constituted significant areas of estimates.

Critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the condensed consolidated interim financial statements include the following:

- the determination of whether or not an investment is considered a joint arrangement or an investment in associates
- the collectability of loans and advances
- the determination of deferred income tax assets and liabilities
- the evaluation of the Company's ability to continue as a going concern

1.13 Changes in Accounting Policies

The Company adopted IFRS 16 Leases for the period ended November 30, 2019. The mandatory adoption of the accounting standards and interpretations had no significant impact on the Company's condensed consolidated interim financial statements for the current year or prior year presented.

1.14 Financial Instruments and Other Instruments

The Company is exposed to varying degrees to a variety of financial instrument related risks:

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 any obligations. The Company's cash, amounts due from associates and receivables are exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness and the loans and advances will be secured by the assets of associates which mitigates the credit risk.

Fair value

The carrying value of cash approximated the fair value because of the relatively short-term nature of these instruments.

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does maintain bank accounts which earn interest at variable rates but it does not believe it is currently subject to any significant interest rate risk.

Liquidity risk

The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

Financial assets and liabilities measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value of loan and advances and accounts payable approximate fair value due to the short-term nature of the financial instruments. Cash is classified as fair value through profit or loss and is measured using level 1 inputs of the fair value hierarchy.

1.15 Other MD&A Requirements

Disclosure of Outstanding Share Data

a. Authorized:
   Unlimited common shares with no par value

b. Common shares issued and outstanding:

Balance, November 30, 2019	11,446,091
Balance, January 24, 2020	11,446,091

As of this reporting date, there were 419,010 common shares held in escrow.

1.16 Commitments and Contingencies

- On August 14, 2018, the Company signed a Letter of Intent with Naturally Splendid Enterprises for development and manufacturing of various products and beverages.

- As described in Note 4 of the condensed consolidated interim financial statements for the period ended November 30, 2019, the Company has committed to providing advances to its associates.

- During the quarter ended November 30, 2019, a lawsuit was filed against the Company by a former contractor and trades person. Since it presently is not possible to determine the outcome of this matter, no provision has been made in the financial statements. The resolution could have a significant effect on the Company's earnings in the year that a determination is made; however, in management's opinion, the final resolution of all legal matters will not have a material adverse effect on the Company's financial position.

Risk Factors

The Company is focused on more select market introduction and development. The failure to generate future sales in the Company’s main products could have a significant and adverse affect on the Company.

The Company success will depend in large measure on certain key personnel. The loss of the services of such key personnel could have a material adverse affect on the Company. The Company does not anticipate having key person insurance in effect for management. The contributions of these individuals to the immediate operations of the Company are of central importance. In addition, there can be no assurance that the Company will be able to continue to attract and retain all personnel necessary for the development and operation of its business.

The Company has incurred a net loss for the period ended November 30, 2019 of $6,319,146 and has a deficit of $22,417,438 Management is continuing efforts to attract additional equity and capital investors and implement cost control measures to maintain adequate levels of working capital. Nevertheless, there can be no assurance provided with respect to the successful outcome of these ongoing actions. If the Company is unable to obtain additional financing on reasonable terms, the Company may be required to curtail or reduce its operations to continue as a going concern.

In addition, the Company’s limited working capital could affect the Company’s ability to seize upon opportunities requiring investment, or to reinvest in its products in a timely manner.