MANAGEMENT’S DISCUSSION AND ANALYSIS

The following is Management’s Discussion and Analysis (“**MD&A**”) of the financial condition and results of operations of Big Rock Brewery Inc. (the “**Corporation**” or “**Big Rock**”) for the quarter ended March 31, 2023.

This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements of the Corporation and accompanying notes as at and for the quarter ended March 31, 2023 and the December 30, 2022 audited consolidated financial statements and MD&A. These unaudited condensed interim consolidated financial statements have been prepared using International Financial Reporting Standards (“**IFRS**”) and all tabular amounts are reported in thousands of Canadian dollars unless otherwise noted. Additional information about the Corporation, including the Annual Information Form for the year ended December 30, 2022 (the “**AIF**”), can be found on SEDAR at www.sedar.com and on Big Rock’s corporate website at www.bigrockbeer.com. Readers should also read the section “Forward-Looking Information” contained at the end of this document. This MD&A is dated May 11, 2023.

COMPANY OVERVIEW

Big Rock is headquartered in Calgary, Alberta. The Corporation produces premium, all-natural craft beers, ciders, and other alcoholic and non-alcoholic beverages. As one of Canada's largest independently owned craft brewers, Big Rock has an extensive family of permanent ales and lagers, the Rock Creek series of craft ciders, a continually changing selection of seasonal and limited-edition beers and other licensed alcoholic beverages.

Founded in 1985, Big Rock was the first craft brewery in Alberta and stands as a pioneer in the Canadian craft beer industry. Big Rock produces, markets and distributes its premium, high-quality craft beers, ciders, and other alcoholic beverages, primarily in Canada. The Corporation owns and operates production facilities in Alberta, British Columbia (“**BC**”), and Ontario. Today, Big Rock’s primary brewing, packaging and warehousing facility is in Calgary, Alberta and has been in operation since 1996. Big Rock has distribution facilities in Calgary and Edmonton, and sales staff resident in Alberta, BC, Saskatchewan, Manitoba, and Ontario.

Given the Corporation’s footprint in Western Canada, the Corporation also has several private label agreements, production agreements, and licensing agreements.

FIRST QUARTER HIGHLIGHTS

For the three months ended March 31, 2023, compared to the three months ended March 31, 2022, the Corporation reported:

- sales volumes up 2% to 33,778 hectolitres ("**hl**") compared to 33,279 hl;
- net revenue increased by 19% to $10.5 million from $8.8 million;
- operating loss decreased 65% to $0.5 million compared to $1.5 million;
- net loss decreased 43% to $0.5 million to $1.3 million; and
- Adjusted EBITDA increased to $0.6 million from negative $0.3 million. Adjusted EBITDA is a non-GAAP financial measure, see "*Non-GAAP Measures*".

$000, except hl and per share amounts	Three months ended March 31	
	2023	2022
Sales volumes (hl) [(1)]	33,778	33,279
Gross revenue	$ 13,639	$ 12,712
Net revenue	10,451	8,787
Cost of sales	7,488	6,073
Adjusted EBITDA [(2)]	701	(620)
Operating income (loss)	(144)	(1,488)
Net income (loss)	(255)	(1,271)
Income (loss) per share (basic and diluted)	$ (0.04	$ (0.18)

(1) Excludes co-packing volumes due to the nature of the agreements.
(2) Non-GAAP financial measure. See "*Non-GAAP Measures*".

OUTLOOK & STRATEGY

Big Rock's long-term growth strategy is to maximize the value of its capacity and capital investments to drive growth in volume, improve productivity and lower operating costs. With greater operational efficiencies, the Corporation aims to gain market share and "premiumize" its branded portfolio. Innovation and co-creation of new products with the Corporation's strategic partners will increase market demand and further enable the Corporation to gain market share. This strategy supports Big Rock's vision to become Canada's largest independent brewer.

Big Rock is continuing to focus on product innovation and development in the premium category to better align with trends in consumer demand. Big Rock was able to increase revenue in the ended March 31, 2023, in comparison to prior period. The Corporation has proven its ability to either remain in-line or gain market share in recent quarters, demonstrating the portfolio's resilience to the otherwise flat-to-downward beer industry trends.

The Corporation's co-packing segment continues to grow as a total percentage of revenue and as total volume throughput continues to increase due to the recent capital investment. The Corporation expects to continue to realize overhead and labor cost efficiencies. Big Rock's co-packing agreements achieved approximately 43% year-over-year growth in 2022, and approximately 101% quarter-over-quarter growth for the period ended March 31, 2023.

In response to the Corporation's breach of its financial covenants under its credit facilities with ATB Financial in the third quarter of 2022, the Corporation's excess inventory in the fourth quarter of 2022 and management turnover, the Corporation's Board of Directors (the "**Board**") enacted the following changes in the fourth quarter of 2022:

- Stephen Giblin, the Chair of the Board, was brought in as the interim President and Chief Executive Officer of the Corporation on October 27, 2022;
- the Corporation secured a capital injection of $4.3 million through the Corporation's largest shareholder VN Capital Fund I, LP ("**VN Capital**") (see "*Liquidity and Capital Resources – Debt*");
- the Corporation's management team was re-structured and significant cost reductions were made across all functional areas of the Corporation's business;
- Big Rock amended the terms of its credit facilities with ATB Financial to amend certain covenants contained therein and to permit the Corporation to obtain the capital injection from VN Capital (see "*Liquidity and Capital Resources – Debt*");
- a new multi-year partnership agreement with Browns Social House Ltd. was announced.

In conjunction with this, the Corporation has developed updated financial projections for fiscal 2023 that show sufficient cash flows to cover forecasted expenses and is projecting profitability. Based on these projections, the Corporation expects to be in compliance with the financial covenants under its credit facilities with ATB Financial over the next 12 months.

These actions have positioned the Corporation for future growth and in the first quarter of 2023, Big Rock continued to exceed the new bank covenants with its primary lender ATB. Management continues to work with the previously announced sub-committee of the Board and a consultant on a search for a permanent Chief Executive Officer.

However, management is appropriately conservative and will continue to take actions to increase revenues and lower costs to provide certainty that the Corporation will achieve budget for the 2023 fiscal year.

SELECTED QUARTERLY FINANCIAL INFORMATION

Big Rock experiences seasonal fluctuations in sales volumes, net revenue, and net income with the second and third quarters typically being stronger than the first and fourth quarters. These seasonal variations are dependent on numerous factors, including weather, timing of community events, consumer behaviour, customer activity and overall industry dynamics, mainly in Western Canada. The selected quarterly information is consistent with these industry trends.

The following is a summary of selected financial information for the last eight completed quarters:

($000, except hl and per share amounts)	**Q1/23**	Q4/22	Q3/22	Q2/22	Q1/22	Q4/21	Q3/21	Q2/21
Sales volumes (hl) [1]	**33,778**	**35,654**	47,154	42,409	33,279	34,430	47,367	46,233
Net revenue	**10,451**	**10,548**	11,940	15,823	8,787	8,711	12,982	13,690
Cost of sales	**7,488**	**10,132**	8,445	11,966	6,073	7,317	8,444	8,312
Operating income (loss)	**(144)**	**(3,815)**	(1,146)	(469)	(1,488)	(2,932)	354	1,068
Adjusted EBITDA [2]	**701**	**(3,484)**	102	645	(620)	(1,954)	1,325	1,978
Net income (loss)	**(255)**	**(4,188)**	(1,054)	(588)	(1,271)	(3,825)	237	786
Per share amounts (basic & diluted)	**$ (0.04)**	**$ (0.60)**	$ (0.15)	$ (0.09)	$ (0.18)	$ (0.55)	$ 0.03	$ 0.11

(1) Excludes co-packing volumes due to the nature of the agreements.
(2) Non-GAAP financial measure. See "*Non-GAAP Measures*".

During the first quarter of 2023, the Corporation had net revenues of $10.5 million, compared to $8.8 million in the first quarter of 2022, representing an increase of $1.7 million. The increase was primarily related to increased co-packing revenue that increased $1.3 million. In addition, the Corporation saw significant reductions in adjustments, product returns and other adjustments to arrive at net revenue from $1.2 million in the prior period to $0.5 million in the current period for an overall reduction of $0.7 million (58% reduction) and reduced excise payments of $0.5 million.

Cost of sales (excluding depreciation) increased $1.3 million in line with improved revenues. Direct materials increased $1.3 million in the current quarter over the same period in 2022. Savings were seen in production consumables ($0.2 million) and salaries wages and benefits ($0.3 million), with these savings being offset by increased overhead allocations. Cost of sales, expressed as a percentage of net revenues, increased to 72% in the first quarter of 2023 compared to 65% in the first quarter of 2022. This was mostly the result of inflationary pressures on raw materials and packaging combined with a change in product mix.

Selling expenses decreased by $150k in the first quarter of 2023, due to reduced salaries, wages and benefit costs partially offset by increased delivery and distribution costs. As a percentage of net revenues, selling expenses declined to 24% during the first quarter of 2023, from 30% during the first quarter in 2022.

General and administrative expenses in the first quarter of 2023 decreased by 968k (68%), to $442k compared to $1.4 million during the first quarter of 2022. The current G&A amount is skewed by recoveries of restricted share unit and share appreciation rights expenses totalling $221k in the quarter. Normalizing for these, G&A would total $663k but still a reduction of 47% from the comparative period. This was primarily due to decreased salaries, wages and benefits that were partially offset by increased consulting and accounting fees.

RESULTS OF OPERATIONS

Adjusted EBITDA

The calculation of Adjusted EBITDA is a non-GAAP financial measure, whose nearest GAAP measure is net income, or net loss (as applicable), with the reconciliation between the two as follows:

($000, except where indicated)	Three months ended March 31		
	2023	2022	Change
Net income (loss)	$ (255)	$ (1,271)	$ 1,016
Addback:			
Interest	463	158	305
Taxes	(237)	(372)	135
Depreciation and amortization	1,163	819	344
Share based payments	(221)	46	(267)
Gain on disposal of assets	(212)	-	(212)
Adjusted EBITDA (1)	$ 701	$ (620)	$ 1,321

(1) See "*Non-GAAP Measures*".

Adjusted EBITDA in the three months ended March 31, 2023 increased by $1.4 million in comparison to the comparative period in the prior year. The growth in Adjusted EBITDA is attributed primarily to the gross profit from sales of $250k as a direct result of significant growth in its co-pack business, alongside significant cost savings in selling and general & administrative costs.

Net Revenue

Net revenue includes wholesale beer, cider, and alcoholic beverage sales (net of excise taxes and provincial government liquor taxes), co-packing revenues, and retail restaurant and store sales from Big Rock's Alberta, BC, and Ontario locations. Geographically, Alberta continued to represent the largest share of the Corporation's sales in 2023, followed by BC and Saskatchewan.

($000, except sales volumes)	Three months ended March 31		
	2023	2022	Change
Sales volumes (hl)	33,778	33,279	499
Gross revenue	$ 13,639	$ 12,712	$ 927
Federal excise taxes	(917)	(1,458)	541
Provincial liquor tax programs	(2,271)	(2,467)	196
Net revenue	$ 10,451	$ 8,787	$ 1,664
Net revenue by segment			
Wholesale	$ 10,341	$ 8,423	$ 1,918
Retail	110	364	(254)
Net revenue	$ 10,451	$ 8,787	$ 1,664
$ per hl			
Wholesale net revenue	$ 306.15	$ 253.10	$ 53.05

(1) Excludes co-packing volumes due to the nature of the agreements.

Total sales volumes for the first quarter of 2023 increased by 1.5% when compared to the first quarter of 2022, which was primarily driven by increases in private label on and off premise sales that grew approximately 26% over 2022. In addition, value brands increased in the quarter compared to the prior year by 8%. Other categories were below the prior year that reflected a general overall industry trend in Canada where beer sales saw continued decreases in Canada.

Wholesale Revenue

Wholesale net revenues for the quarter ended March 31, 2023 increased compared to the comparable quarter in the previous fiscal year by $1.9 million (23%). Net revenues reflect a general continued declining market for beer consumption in Canada which was more than offset from private label on and off premise, value brands and significant growth in production for contract partners. [more explanation required]

Retail Revenue

Retail revenue decreased by $0.2 million in the first quarter of 2023 compared to the first quarter of 2022. A significant portion of the decline is a result of the closure of the Corporation's tap room in Vancouver initially due to the impacts of the COVID-19 pandemic and subsequent permanent closure. The retail segment only represents about 1% of the Corporation's sales.

Cost of Sales

($000, except where indicated)	Three months ended March 31		
	2023	2022	Change
Operating expenses	$ 5,121	$ 3,735	$ 1,386
Salaries and benefits	1,395	1,693	(298)
Depreciation and amortization	972	645	327
Cost of sales	$ 7,488	$ 6,073	$ 1,415
Percentage of revenue	71.6%	69.1%	

Cost of sales for the quarter ended March 31, 2023 increased period over period by $1.4 million (23%), primarily driven by increased sales volumes.

Cost of sales, expressed as a percentage of net revenue, was higher in the first quarter of 2023 than in the corresponding quarter during 2022. This was largely due to continued inflationary pressures in various categories primarily in utilities, building related costs and in key raw materials that was related primarily to general industry pressures. Big Rock saw significant reductions in salaries, wages and benefits in the current quarter due to staff reductions and continued open positions. The Corporation was impacted by employee turnover that was consistent with an overall challenging labor recruitment market. Depreciation costs also increased due to putting assets into service during the period.

Selling Expenses

($000, except where indicated)	Three months ended March 31		
	2023	2022	Change
Delivery and distribution costs	$ 1,114	$ 835	$ 279
Salaries and benefits	476	889	(413)
Marketing and sales expenses	883	894	(11)
Selling expenses	$ 2,474	$ 2,618	$ (144)
Percentage of revenue	23.7%	29.8%	

Selling expenses decreased by $144k in the first quarter of 2023 compared to 2022. Significant savings in salaries and benefits combined with lower marketing and sales expenses exceeded increased delivery and distributions costs. As mentioned above, the general labor markets have caused difficulties in recruiting for open positions. The Corporation also reduced its marketing and sales expenses significantly from the prior period. Partially offsetting these savings were increased delivery and distribution costs due to increased product shipments and sensitivities in transportation costs, including fuel surcharges,

General and Administrative Expenses

($000, except where indicated)	Three months ended March 31		
	2023	2022	Change
Salaries and benefits	$ 379	$ 644	$ (265)
Share based payments	(221)	46	(267)
Professional fees	–	280	(280)
Other administrative expenses	287	440	(153)
General and administrative expenses	$ 445	$ 1,410	$ (965)
Percentage of revenue	4.3%	16.0%	

General and administrative expenses in the first quarter of 2023 decreased by 968k (68%), to $442k compared to $1.4 million during the first quarter of 2022. The current G&A amount is skewed by recoveries of restricted share unit and share appreciation rights expenses totalling $221k in the quarter. Normalizing for these, G&A would total $663k but still a reduction of 47% from the comparative period. This was primarily due to decreased salaries, wages and benefits that were partially offset by increased consulting and accounting fees.

Finance Expense

Finance expenses of $0.5 million in the first quarter of 2023 were $0.3 million higher than the finance cost for the corresponding period in 2022, primarily the result of the increased cost of financing and the injection of short-term debt financings from VN Capital late in fiscal 2022. See "*Liquidity and Capital Resources – Debt*" in this MD&A

SEGMENTED INFORMATION

The Corporation has two reportable business segments, wholesale and retail, which are monitored by executive management for purposes of making decisions about resource allocation and performance management. The wholesale segment manufactures and distributes beer, cider, and other alcoholic beverages to provincial liquor boards, grocery chains, and on-premises customers which are subsequently sold to end consumers. The retail segment sells beverages, food, and merchandise to end consumers through premises owned and/or operated by the Corporation.

Segment performance is evaluated on several measures, the most significant being gross profit net of selling expenses. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties. The Corporation's operating assets and liabilities, general and administrative expenses, income taxes, and capital expenditures are managed on a corporate basis.

SEGMENTED RESULTS

Quarter ended March 31	Wholesale		Retail		Eliminations		Consolidated	
	2023	2022	2023	2022	2023	2022	**2023**	2022
Net revenue	10,357	8,456	142	364	(48)	(33)	**10,451**	8,797
Cost of sales	7,417	5,494	119	612	(48)	(33)	**7,488**	6,073
Gross profit (loss)	2,940	2,962	23	(248)	–	–	**2,963**	2,714
Selling expenses	2,469	2,578	5	40	–	–	**2,474**	2,618
Segment profit (loss)	**471**	384	**18**	(288)	**–**	**–**	**489**	96
General and administrative cost							**442**	1,410
Depreciation and amortization							**191**	174
Operating (loss)							**(144)**	(1,488)
Finance expense							**463**	158
Other							**(115)**	(3)

Loss before income taxes	**(492)**	(1,643)

LIQUIDITY AND CAPITAL RESOURCES

Capitalization

($000)	March 31, 2023	December 20, 2022
Cash	1,107	612
Debt	15,375	13,750
Lease liabilities (1)	3,559	3,767
Net debt (2)	20,041	18,129
Shareholders' equity:		
Shareholders' capital	113,746	113,746
Contributed surplus	2,806	2,954
Accumulated deficit	(91,753)	(91,498)
Total shareholders' equity	24,799	25,202
Total capitalization (3)	**44,840**	**43,331**
Net debt to total capitalization ratio (4)	45%	42%

(1) Includes current and non-current portions.
(2) Capital management measure. See "*Non-GAAP Measures*".
(3) Non-GAAP financial measure. See "*Non-GAAP Measures*".
(4) Non-GAAP ratio. See "*Non-GAAP Measures*".

Capital Strategy

The Corporation's capital consists of debt and equity. To maintain or adjust the Corporation's capital structure, Big Rock may issue new public securities, issue or renegotiate its debt, acquire or dispose of assets, or adjust the amount of cash and cash equivalents. The budget is updated as necessary depending on numerous factors, including capital deployment, results from operations, general industry conditions, and government policy changes.

See "*Going Concern*" in this MD&A.

Net Working Capital

Net working capital is a capital management measure and is defined as current assets less accounts payable, accrued liabilities, and current portion of debt (see *"Non-GAAP Measures")*. The Corporation had a net working capital deficit of $1.7 million as of March 31, 2023. This represents a decrease of $2.2 million from December 30, 2022. Higher accounts receivables due to contract partners and timing issues increased current assets in the current period. This was offset by higher accounts payables and accrued liabilities largely related to increased activity. The current portion of debt decreased from the prior period from payments made on bank loans.

Debt

During the first quarter of 2023, the Corporation drew net $1.8 million from its operating facility with ATB Financial. The Corporations total term debt decreased from December 30, 2022 due to continued payments on the loans. Details on amounts outstanding under the Corporation's credit facilities are as follows:

($000)	March 31, 2023	December 30, 2022
Operating facility – principal	3,712	1,894
Term debt - principal and accrued interest	11,935	12,112
Debt issue costs	(274)	(256)
	15,373	**13,750**
Current	**5,897**	**5,705**
Non-current	**9,476**	**8,045**

Term debt payments of principal and interest are due monthly. Details on amounts drawn under the term debt are as follows:

($000)	Expiry date	March 31, 2023	December 30, 2022
Tranche 1	December 2, 2023	4,300	4,300
Tranche 2	April 30, 2025	513	561
Tranche 3	February 28, 2026	732	766
Tranche 4	September 9, 2027	520	538
Tranche 5	February 28, 2031	2,562	2,588
Tranche 6	December 31, 2031	3,319	3,359
Total term debt outstanding		**11,937**	**12,112**

At March 31, 2023, the Corporation had $2.2 million available on its operating facility. Subsequent to the date of this MD&A, the Corporation worked with its lender to establish a letter of credit for CRA excise remittances that reduces the overall operating line availability by $575k moving forward.

During the fourth quarter of 2022, the Corporation closed a $4.3 million Second Lien Financing with VN Capital. The Second Lien Financing assisted Big Rock in strengthening access to liquidity and a significant portion of the $4.3 million from VN Capital was used to pay down the Corporation’s operating facility with ATB Financial. The Second Lien Financing matures on December 2, 2023.

The credit facilities impose several positive and negative covenants on the Corporation, including the maintenance of certain financial covenants which are tested monthly and at each reporting date. These include the maintenance of a rolling 12-month fixed charge ratio which is required to be a minimum of 1.15 to 1, calculated as Adjusted EBITDA (defined as the rolling 12—month earnings before interest, taxes and depreciation, less unfunded capital). Compliance with the rolling fixed charge ratio has been waived by ATB Financial for the fourth quarter of fiscal 2022 and for the entirety of fiscal 2023. The Corporation is subject to a current ratio covenant that is to be monitored and tested monthly and shall not be less than 1.0:1.0 commencing December 30, 2022, increasing to 1.1:1.0 effective June 30, 2023 and increasing to 1.25:1.0 effective September 30, 2023. In addition, the Corporation is subject to an EBITDA covenant where the Corporation’s EBITDA shall not be less than the values reflected in the table below.

Fiscal quarter ending:	Minimum EBITDA year to date (other than December 30, 2022)
December 30, 2022	($861.000.00) (Stand-alone basis)
March 31, 2023	($684,000.00)
June 30, 2023	$748,000.00
September 30, 2023	$1.945,000.00
December 30, 2023	$2,160,000.00

In addition, the Corporation's borrowings cannot exceed a borrowing base which is determined by the fair value of the Corporation's assets.

Lease Liabilities

Big Rock currently has lease liabilities for contracts related to real estate and vehicle leases.

($000)	March 31, 2023	December 30, 2022
Lease liabilities, beginning of year	3,767	4,366
Additions	-	211
Interest expense	44	167
Lease payments	(252)	(977)
Lease liabilities, end of year	**3,559**	**3,767**
Current	**719**	**668**
Non-current	**2,840**	**3,099**

Capital Expenditures

During the three months ended March 31, 2023, a total of $0.2 million was spent on capital expenditures. This includes expenditures on production equipment and digital transformation initiatives.

Equity

As of the date of this MD&A, the Corporation had 6,981,628 common shares outstanding less 3,743 restricted shares held in trust to resource employee compensation programs.

In addition, as of the date of this MD&A, 33,990 common shares are potentially issuable to satisfy the Corporation's outstanding restricted share units. None of the Corporation's outstanding share options are "in the money".

COMMITMENTS AND CONTRACTUAL OBLIGATIONS

Big Rock has entered into various commitments for expenditures covering utilities, raw materials, and marketing initiatives. The commitments, for the next five years are as follows:

($000)	2023	2024	2025	2026	2027	Thereafter
Utilities contracts	52	52	52	52	-	-
Raw material purchase commitments	1,010	246	-	-	-	-
Marketing sponsorships	181	108	58	-	-	-
Total	**1,243**	**406**	**110**	**52**	**-**	**-**

OFF BALANCE SHEET ARRANGEMENTS

Big Rock does not have any special purpose entities nor is it party to any arrangements that would be excluded from the balance sheet, other than the operating leases summarized in "*Commitments and Contractual Obligations*" herein.

RISK FACTORS

The Corporation is exposed to business risks that are inherent to the alcoholic beverage industry, as well as those governed by the individual nature of the Corporation's operations, the details of which are set out in the corporation's most recent Annual Information Form ("AIF"), which is available on SEDAR at www.sedar.com.

GOING CONCERN

The consolidated financial statements for the three-months ended March 31, 2023 have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which assumes that the Corporation will be able to realize its assets and discharge its liabilities in the normal course of business. For the three-months ended March 31, 2023, the Corporation incurred a net loss of $0.7 million. The Corporation has $3.7 million drawn on its operating facility as at March 31, 2023. The credit facility imposes a number of positive and negative covenants on the Corporation more fully described in Note 14.

There remains a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. These financial statements do not include adjustments to the recoverability and classification of recorded asset and liabilities and related expenses that might be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business at amounts different from those in the accompanying consolidated financial statements. Such adjustments could be material.

CRITICAL ACCOUNTING ESTIMATES & JUDGEMENTS

There have been no changes in Big Rock's critical accounting estimates during the quarter ended March 31, 2023 nor during the year ended December 30, 2022. Further information on the Corporation's accounting policies, critical estimates, and judgements can be found in the notes to the consolidated financial statements for the quarter ended March 31, 2023.

FINANCIAL INSTRUMENTS

Big Rock did not use any financial instruments in the quarter ended March 31, 2023 or during the year ended December 30, 2022.

CERTIFICATION OF DISCLOSURES IN QUARTERLY FILINGS

In accordance with National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings, the Corporation quarterly issues a Certification of Interim Filings ("Certification"). The Certification requires certifying officers to state that they are responsible for establishing and maintaining disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR").

The Certification requires certifying officers to state that they designed DC&P, or caused it to be designed under their supervision, to provide reasonable assurance that: (i) material information relating to the Corporation is made known to the certifying officers by others; (ii) information required to be disclosed by the Corporation in reports filed with, or submitted to, securities regulatory authorities is recorded, processed, summarized and reported within the time periods specified under Canadian securities legislation. In addition, the Certification requires certifying officers to state that they have designed ICFR, or caused it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes.

There were no changes in the Corporation's internal control over financial reporting during the quarter ended March 31, 2023 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting. The Corporation has procedures in place relating to DC&P and ICFR and will continue to monitor such procedures as the Corporation's business evolves.

NON-GAAP MEASURES

The Corporation uses certain financial measures referred to in this MD&A to quantify its results that are not prescribed by Generally Accepted Accounting Principles ("GAAP"). These financial measures do not have any standardized meaning under the Corporation's GAAP and therefore may not be comparable to similar measures presented by other issuers. The following terms "net working capital", "net debt", "total capitalization", "Adjusted EBITDA" and "net debt to total capitalization ratio" are not recognized measures under GAAP and may not be comparable to that reported by other companies. In addition to net loss and cash flow from operating activities, Management uses these non-GAAP measures to evaluate the Corporation's operating performance and leverage.

Net working capital: is a capital management measure that is defined as current assets less accounts payable, accrued liabilities, and current portion of debt. This measure allows the Corporation to monitor its liquidity in relation to the bank covenants and cash resources available at any time.

Net debt: is a capital management measure that is defined as the Corporation's current and non-current portions of debt, license obligation, lease liabilities less cash. Due to the Corporation having a hard debt ceiling at the current time, this measure is instrumental in monitoring the availability of capital.

Total capitalization: is a non-GAAP financial measure calculated by adding shareholders' equity and net debt. A reconciliation of total capitalization to cash, total debt and total shareholders' equity and a reconciliation of net debt to cash and total debt are provided under "Liquidity and Capital Resources – Capitalization". This measure allows the Corporation to monitor its debt in relation to equity within the Corporation in determining the appropriate mix of debt and equity for planning for growth, expansion and product development.

Adjusted EBITDA: is a non-GAAP financial measure that the Corporation uses to measure operating performance and borrowing capacity. Adjusted EBTDA is calculated by adding back to net income, interest, income taxes, depreciation and amortization, impairment of property, plant and equipment, impairment on co-packing customer receivable, share based payment adjustments, gains and losses on disposal of assets and gain on extinguishment. A reconciliation of Adjusted EBITDA to net loss, the nearest GAAP measure, is contained under "Results of Operations – Adjusted EBITDA". This measure closely mirrors cash generated or used in any particular period. It is also used in the Corporations covenants with its bank.

Net Debt to Total Capitalization Ratio: is a non-GAAP financial ratio that is calculated by dividing net debt by total capitalization. This measure shows the total amount of outstanding company debt as a percentage of the Corporations total capitalization and is used as an indicator of the Corporations leverage. It also assists the Corporation in monitoring its cash availability to ensure it can effectively manage principal and interest payments.

Readers are cautioned that these measures should not be construed as an alternative to net income, cash flows from operating activities or other relevant GAAP measures as calculated under GAAP.

FORWARD-LOOKING INFORMATION

Certain statements contained in this MD&A constitute forward-looking statements. These statements relate to future events or Big Rock's future performance. All statements, other than statements of historical fact, may be forward-looking statements. Forward-looking information are not facts, but only predictions and generally can be identified by the use of statements that include words or phrases such as, "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "likely" "may", "project", "predict", "propose", "potential", "might", "plan", "seek", "should", "targeting", "will", and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Big Rock believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by readers, as actual results may vary materially from such forward-looking statements. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement.

This MD&A contains forward-looking statements pertaining to the following:

- Big Rock's long-term growth strategy and the anticipated benefits to be derived therefrom;
- Big Rock's aim to gain market share and "premiumize" its branded portfolio;
- Big Rock's expectations that innovation and co-creation of new products with its strategic partners will increase market demand and further enable the Corporation to gain market share;
- Big Rock's focus on continued product innovation and development in the premium category;
- the Corporation's expectations that it will continue to realize overhead and labour cost efficiencies;
- that Big Rock is well-positioned to realize the benefits of increased co-pack production going forward;
- Big Rock's expectations that its focus on streamlining processes around forecasting and production planning will enable the Corporation to realize operational efficiencies and drive margin growth;
- Big Rock's updated financial projections for fiscal 2023 and the expectations that it will have sufficient cash flows to cover forecasted expenses and will return to profitability;
- Big Rock's expectations that it will be in compliance with its financial covenants for the next 12 months;
- that Big Rock is positioned for further growth;
- that Big Rock will continue to take actions to increase revenues and lower costs to provide certainty that the Corporation will achieve budget for the year;
- Big Rock's business plans, outlook, and strategy;
- Big Rock's vision to become Canada's largest independent brewer;
- Big Rock's ability to maintain or adjust its capital structure through issuing new public securities, issuing or renegotiating its debt, acquiring or disposing of assets or adjusting the amount of cash or cash equivalents;
- Big Rock's future term debt payments of principal and interest and the anticipated timing thereof; and
- Big Rock's anticipated commitments and contractual obligations and the anticipated timing thereof.

With respect to the forward-looking statements listed above and FOFI (as defined below) contained in this MD&A, management has made assumptions regarding, among other things:

- Big Rock's ability to continue as a going concern;
- that Big Rock's long-term growth strategy will support it in becoming Canada's largest independent brewer;
- volumes in the current fiscal year will remain constant or will increase;
- there will be no material change to the regulatory environment in which Big Rock operates;
- there will be no material supply issues with Big Rock's vendors;
- seasonal fluctuations in demand;
- that innovation and co-creation of new products with Big Rock's strategic partners will increase market demand and further enable the Corporation to gain market share; and
- that a focus on streamlining processes around forecasting and production planning will enable the Corporation to realize operational efficiencies and drive margin growth.

Some of the risks which could affect future results and could cause results to differ materially from those expressed in the forward-looking information and statements and FOFI contained herein include the risk factors set out in the AIF and include, but are not limited to:

- the risk that Big Rock may not be able to renegotiate a refinancing of its existing credit facility terms with ATB given the event of default;
- that the year-over-year growth in Big Rock's co-packing arrangements may be less than anticipated;
- the inability to grow demand for Big Rock's products;
- the risk that Big Rock may not have an increase in market demand or market share;
- the risk that Corporation may not realize overhead and labour cost efficiencies;
- the risk that Big Rock may not realize the benefits of increased co-pack production;
- the risk that Big Rock may not realize operational efficiencies or margin growth;
- the risk that Big Rock may not have sufficient cash flows to cover forecasted expenses or return to profitability; and
- the risk that Big Rock may not be in compliance with its financial covenants for the next 12 months.

Any financial outlook or future oriented financial information (in each case "**FOFI**") contained in this MD&A regarding prospective financial position, including, but not limited to: Big Rock's expectations that innovation and co-creation of new products with its strategic partners will increase market demand and further enable the Corporation to gain market share; the Corporation's expectations that it will continue to realize overhead and labour cost efficiencies; Big Rock's expectations that its focus on streamlining processes around forecasting and production planning will enable the Corporation to realize operational efficiencies and drive margin growth; Big Rock's updated financial projections for fiscal 2023 and the expectations that it will have sufficient cash flows to cover forecasted expenses and will return to profitability; Big Rock's expectations that it will be in compliance with its financial covenants for the next 12 months; that Big Rock will continue to take actions to increase revenues and lower costs to provide certainty that the Corporation will achieve budget for the year; Big Rock's ability to maintain or adjust its capital structure through issuing new public securities, issuing or renegotiating its debt, acquiring or disposing of assets or adjusting the amount of cash or cash equivalents; Big Rock's future term debt payments of principal and interest and the anticipated timing thereof; and Big Rock's anticipated commitments and contractual obligations, is based on reasonable assumptions about future events, including those described above, based on an assessment by management of the relevant information that is currently available. The actual results will likely vary from the amounts set forth herein and such variations may be material. Readers are cautioned that any such FOFI contained herein should not be used for purposes other than those for which it is disclosed herein. Such information was made as of the date of this MD&A and the Corporation disclaims any intention or obligation to update or revise any such information, whether as a result of new information, future events, or otherwise, unless required pursuant to applicable law.

Readers are cautioned that the foregoing list of assumptions and risk factors is not exhaustive. The forward-looking information and statements and FOFI contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking information and statements and FOFI included in this MD&A are made as of the date hereof and Big Rock does not undertake any obligation to publicly update such forward-looking information and statements to reflect new information, subsequent events or otherwise unless so required by applicable securities laws.