MOUNTAIN VALLEY MD HOLDINGS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR

THE THREE-MONTH PERIOD ENDED JUNE 30, 2020

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

The information presented in this Management's Discussion and Analysis ("MD&A") contains statements with respect to Mountain Valley MD Holdings Inc. ("MVMD" or the "Company") concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, "forward–looking statements" or "forward-looking information" (collectively "forward-looking statements") as those terms are used in securities laws applicable in Canada

These forward-looking statements include, but are not limited to, factors that may affect our ability to achieve our objectives and to successfully develop and commercialize our assets, including but not limited to our intellectual property assets. Such forward–looking statements, include but are not limited to those with respect to: the ability to obtain necessary financing on acceptable terms; the ability to keep pace with developments in similar industries and remain competitive, the reliance on third party suppliers, the ability to enforce intellectual property and related rights, the ability to manage human resources effectively and the retention of skilled personnel, the ability to navigate regulatory requirements and regimes in a timely and cost-effective manner or at all, and events described in this MD&A, which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward–looking statements.

The reader should verify all claims and do their own due diligence before investing in any securities mentioned or implied in this document. Investing in securities is speculative and carries a high degree of risk.

These statements are based on management's current expectations and are subject to a number of uncertainties and risks that could cause actual results to differ materially from those described in the forward-looking statements. Forward-looking statements are based on management's current plans, estimates, projections, beliefs, and opinions and we do not undertake any obligation to update forward-looking statements should the assumptions related to these plans, estimates, projections, beliefs and opinions change, except as required by law.

MANAGEMENTS DISCUSSION AND ANALYSIS

October 13, 2020

This Management Discussion and Analysis ("MD&A") is intended to help the reader understand the Company's financial statements. The statements are provided for the purpose of reviewing the first quarter of fiscal 2021 and comparing results to the previous period. The MD&A should be read in conjunction with the Company's audited consolidated financial statements and corresponding notes for the fiscal years ending March 31, 2020.

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and all monetary amounts are expressed in Canadian dollars. The following comments may contain management estimates of anticipated future trends, activities, or results. These are not a guarantee of future performance, since actual results could change based on other factors and variables beyond management control.

The management of MVMD is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures, and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The board of directors of MVMD follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders.

The audit committee of MVMD meets with management quarterly to review the financial statements including the MD&A and to discuss other financial, operating and internal control matters.

The reader is encouraged to review the Company's statutory filings on www.sedar.com.

DESCRIPTION OF BUSINESS

The Company (formerly Meadow Bay Gold Corporation) was incorporated in British Columbia under the laws of the Business Corporations Act on March 8, 2005. The Company was listed for trading on the TSX Venture Exchange (TSX.V) as a Capital Pool Company on September 18, 2006. The Company delisted from the TSX.V and began trading on the Canadian Securities Exchange (CSE) under the symbol "MAY.CN" on or about March 2, 2018. Following completion of the Amalgamation (as defined and described below), the Company began trading on March 2, 2020 and currently trades on the CSE under the symbol "MVMD.CN".

On March 1, 2011, the Company acquired all of the issued and outstanding common stock of Desert Hawk Resources Inc. ("Desert Hawk"), a private Delaware corporation. Desert Hawk is a mining and exploration company with a gold project in Nevada called the Atlanta Gold and Silver Mine, a former producing gold and silver mine. In anticipation of the Amalgamation, the Company sold all of the issued and outstanding common stock of Desert Hawk to Casino Gold Corporation (see section entitled "Overall Performance" for additional information).

On June 28, 2019, the Company entered into an Amalgamation Agreement (the "Amalgamation Agreement") with Mountain Valley MD Inc. ("MVMD OpCo") and 2700915 Ontario Inc. (a wholly-owned subsidiary of the Company) that provided for the completion of a reverse-takeover by MVMD OpCo of MVMD (Meadow Bay Gold Corporation at the time) by way of a three-cornered amalgamation (the "Amalgamation").

The principal terms of the Amalgamation were as follows:

1. The Company completed an 8 for 1 share consolidation (the "Consolidation"), which reduced the number of the Company's issued and outstanding common shares from 58,056,221 pre-consolidation common shares to 7,257,031 post-consolidation common shares.
2. The Company changed its name from Meadow Bay Gold Corporation to "Mountain Valley MD Holdings Inc.".
3. MVMD OpCo, the Company and 2700915 completed a triangular amalgamation, wherein MVMD amalgamated with 2700915 and as a result of the Amalgamation, the Company acquired all of the outstanding shares of MVMD OpCo in exchange for common shares of the company resulting from the Amalgamation on a one for one basis. MVMD OpCo became a wholly owned subsidiary of the Company and the shareholders of MVMD OpCo acquired the majority of the common shares of the Company.

The Amalgamation was completed on February 21, 2020.

MVMD is a publicly traded health and wellness company engaged, through MVMD OpCo, in building a world-class organization centred around the implementation of its patented Quicksome™ oral drug formulation and delivery technologies with the intention of licensing to global pharmaceutical, vaccine and nutraceutical third parties.

The Company's patented Quicksome™ desiccation technology utilizes advanced liposomes and other stabilizing molecules to encapsulate and formulate active ingredients into highly efficient product formats that are consumed orally. The result is a new generation of product formulations that, when successfully commercialized, would be capable of delivering vaccines, drugs and nutraceuticals into the body faster, with greater impact, efficiency and accuracy. Management believes partners who license the Company's technology would have unprecedented market advantages, including significant production and distribution efficiencies, stronger product value propositions, dealing with generic product and counterfeit pressures, softening the impact of patent cliffs, and reducing overall product costs while increasing product margins.

MVMD OpCo has three wholly owned subsidiaries: Mountain Valley Medicinals Inc. ("MVM"), a company incorporated under the laws of the province of British Columbia on March 7, 2018; Colverde MD S.A.S, a corporation incorporated under the laws of Colombia on February 20, 2018; and MVMD (Colombia) Inc. ("MVMDC"), a corporation incorporated under the laws of the province of Ontario on April 11, 2019. MVM has a wholly owned subsidiary, 0987182 B.C. Ltd. ("098") (formerly Pura Vida Medical Marihuana Incorporation), a company formed under the laws of the Province of British Columbia.

The address of the Company's registered and records address is 610 – 475 West Georgia Street, Vancouver, BC V6B 4M9. The address of MVMD's registered address is 260 Edgeley Blvd. Unit 4, Vaughan, ON, L4K 3Y4.

OVERALL PERFORMANCE

Sale of Desert Hawk:

Prior to entering into the Amalgamation Agreement, the Company's sole asset was Desert Hawk. Prior to the completion of the Amalgamation, on or about November 18, 2019, the Company sold Desert Hawk to Casino Gold Corporation ("Casino") in consideration for 10,000,000 common shares of Casino. Following the sale, Casino completed a spin-off transaction resulting in the formation of two (2) entities: 1234721 B.C. Ltd ("Nevada King") and Palisades Goldcorp Inc. ("Palisades") and the exchange of the 10,000,000 Casino shares into 2,000,000 common shares of Nevada King and 799,000 common shares of Palisades (the "Casino Shares").

Existing shareholders of the Company prior to the Amalgamation received one Class B (non-voting) share (the "Class B Share(s)") of the Company for every common share held. The Company is required to redeem all of the outstanding Class B Shares for an amount equal to any distribution by Nevada King or Palisades to its shareholders received by the Company, proceeds from the disposal of any or all of the Casino Shares along with the remainder of the Casino Shares not disposed of by the Company or if the Company decides to distribute the Casino Shares. As a result, the Class B Shares have been presented as share redemption liability and are fair valued at each reporting date based on the fair value of the underlining Casino shares. The anticipated result of the issuance of the Class B Shares is to deliver the benefit of Desert Hawk to existing shareholders of the Company prior to the Amalgamation. It is the intention of management as at the date of this MD&A that no payments of any kind will be required to be delivered to the holders of Class B Shares until the disposition of the Casino Shares, such that the benefit from the sale will flow through the Company without any additional obligation or encumbrance on the Company or its finances.

The Business of MVMD OpCo:

As of February 21, 2020, as a result of the Amalgamation and having disposed of its single mining asset (Desert Hawk), the Company continued the business of MVMD.

During the years ended March 31, 2020 and 2019, MVMD OpCo focused its efforts on acquiring assets in anticipation of operations and business development efforts in Canada, Colombia and the United States. Most of the expenditures related to these acquisitions consisted of largely share-based compensation.

Such acquisitions included:

1. On January 10, 2019, MVMD OpCo acquired MVM and, indirectly, 098, which owns property in or around the City of Nanaimo in the Province of British Colombia (the "BC Property"). MVM engaged a third party to evaluate the land and water supply and is currently developing out a plan for this asset that is aligned with its biotechnology focus.

2. On April 11, 2019, MVMD OpCo entered into a Subscription and Share Purchase Agreement with Sativa Nativa S.A.S ("Sativa Nativa"), Avicanna Inc. ("Avicann"), a reporting issuer whose shares are listed for trading on the TSX, and certain shareholders of Sativa Nativa, resulting in the acquisition by MVMDC of an aggregate 25% of the issued and outstanding shares of Sativa Nativa (the "SN Interest"). MVMD OpCo acquired 17,892,248 common shares of Sativa Nativa, representing 10% of the issued and outstanding shares of Sativa Nativa (following issuance), for a subscription price of CAD $2,800,000, and another 26,838,372 common shares of Sativa Nativa from its shareholders other than Avicanna, representing 15% of the issued and outstanding shares of Sativa Nativa, for a purchase price of CAD $3,815,000 by way of a monetary payment of CAD $2,000,000 and the issuance of 11,000,000 MVMD Class B Shares.

3. On June 10, 2019, MVMD OpCo completed the acquisition of 20% (the "CCJC Interest") of the equity of private Nevada corporation, CCJC Inc., (the "CCJC"). CCJC is the majority shareholder (90%) of a US private corporation (the "Applicant") who has made an application (the "DEA Application") with the U.S. Drug Enforcement Administration ("DEA") to become registered under the Controlled Substances Act (United States) to manufacture marijuana to supply to researchers in the United States (the "DEA Licence"). MVMD OpCo acquired from CCJC common shares representing 10% of the issued and outstanding shares of CCJC (following issuance) in consideration for USD $600,000 and an additional 10% from the existing shareholders of CCJC by way of share purchase, in consideration for the issuance of 5,000,000 Class "B" common shares. There is no expected timeline, or guarantee, with respect to the approval and granting of the DEA Licence.

4. On July 9, 2019, MVMD OpCo signed a letter of intent (LOI) with the shareholders at Colverde for the purpose of acquiring its assets. On November 15, 2019, MVMD OpCo finalized the deal framework and entered into a share purchase agreement with Colverde and its sareholders, arm's length third parties as at the date of the agreement, for the purposes of acquiring its assets. MVMD OpCo acquired 100% of the shares of Colverde for a purchase price of $2,080,000 paid as follows: (a) $130,000 refundable deposit (paid on July 16th); and (b) $1,950,000 in Class B common shares of MVMD OpCo at a deemed price equal to $0.20 per share, being 9,750,000 shares (issued on Dec 23rd). The acquisition was completed on December 23, 2019, with the share consideration paid into escrow pending the receipt of all licences and the Colverde Application (as defined below) (*released from escrow on July 27, 2020*). Colverde is non-operating and its assets are a licence for the cultivation of psychoactive cannabis plants issued on November 23, 2018 by the Ministry of Justice and Law (licence number 1214), a licence for the manufacture of cannabis derivatives issued on September 12, 2018 by the Colombian Ministry of Health and Social Protection (licence number 3836), and a licence for the cultivation of non-psychoactive cannabis plants issued on December 16, 2019 by the Ministry of Justice and Law (licence number 1898), as well as a lease for land located in Tabio, a municipality and town of Colombia in the department of Cundinamarca. Colverde has also made application for registration with the Colombia Agricultural Institute as a producer of certified seed (the "Colverde Application").

5. On July 5, 2019, MVMD OpCo entered into a binding letter of intent with Smartek International LLC ("Smartek") to acquire its Quicksome™ IP portfolio of patents, trademarks and related intellectual property (the "Quicksome™ IP Assets"). On December 20, 2019, MVMD finalized the deal framework and entered into an intellectual property asset purchase agreement (the "IP Asset Purchase Agreement") with Smartek, which was or is in the business of developing desiccated liposomes. On the closing date (February 10, 2020), the Quicksome™ IP Assets were sold, transferred and assigned to MVMD, with a portion of the Quicksome™ IP Assets comprising the related intellectual property to be delivered at a later date (*delivery complete on March 9, 2020 and July 17, 2020 respectively*). The consideration comprised of $575,344 and the issuance of 10,000,000 Class B Common shares. 2,400,000 in shares were issued as finder's fees in relation to this acquisition.

   In addition to the sale, transfer and assignment of the Quicksome™ IP Assets, the IP Asset Purchase Agreement set out certain optional post-closing deliverables, which, if delivered, would trigger the payment of additional compensation to Smartek, as follows:

   - $250,000 and 5,000,000 common shares following the completion of a specified milestone and its assignment to MMVD or a subsidiary of MVMD and thereafter upon receipt of combined licensing fees and royalties in connection therewith equal to a minimum value of $USD 200,000;
   - $250,000 and 5,000,000 common shares following the completion of a second specified milestone and its assignment to MVMD or a subsidiary of MVMD and thereafter upon receipt of orders equal to a minimum value of $USD 200,000;
   - 2,500,000 common shares upon the achievement of production and sales of the specified product resulting in a minimum net profit of $50,000;
   - An additional 2,500,000 common shares upon the achievement of production and sales of the specified product resulting in a minimum net profit of $50,000
   - 10,000,000 warrants upon receipt by MVMD or a subsidiary of MVMD of a minimum of $USD 2,000,000 in gross revenues arising from the assigned assets.

   The above milestone payments have not been accounted for as part of the acquisition as they are contingent on future events which cannot be determined at this time.

   In addition, in connection with the IP Asset Purchase Agreement, the Company entered into a consulting agreement with Smartek, whereby Smartek will provide services generally with respect to the development of the Quicksome™ IP Assets and in furtherance of delivery of the foregoing post closing deliverables, to be delivered at various times within twenty-four (24) months from the closing date.

   In the addition to the foregoing, Smartek will be entitled to receive additional cash bonus payments in the event of the delivery of a specified product (the "Specified Product"), plus the issuance of 2,500,000 warrants at the market price at the date of issuance in the event that the Company achieves gross revenues of CAD $50,000,000 or greater arising directly from the Specified Product less direct, external costs. Additional cash bonus payments will be paid when other deliverables have been achieved.

6. On November 4, 2019, MVMD OpCo entered into a debenture agreement with a Canadian private company, Agroresults Inc. ("Agroresults") for $100,000. The debenture bears interest at 5% and matures on November 4, 2022. MVMD OpCo also has the right to convert the debenture into equity at any time during the term, upon any additional raise of the private company at a 20% discount.

7. On August 7, 2020, MVMD OpCo secured a supply and license agreement with Agroresults to sell and distribute Agroresults' Nano Max 1000 plant stimulant technology within a unique formula under MVMD's CannaBloom™ brand ("CannaBloom™"). CannaBloom™ is certified 100 percent organic by the Organic Materials Review Institute (OMRI) and applied to agricultural crops to increase plant yields by activating the plants' "anti-stress defense mechanisms" at the cellular level, without the actual stress factor. Treated plants grow deeper roots and open up their foliage to optimize the effect of photosynthesis, thus increasing growth hormones, plant efficiency for water use and nutrients, and increasing overall resistance to diseases and stressed climate conditions. MVMD's ability to begin selling products under the CannaBloom™ brand is subject to Agroresults completing all regulatory requirements in each territory in which MVMD intends to sell the product(s). Agroresults is conducting the regulatory work initially in Canada and the United States and it is anticipated that the product(s) will be available for sale in these markets within the next 90 days. MVMD is currently building out the packaging, sales collateral, e-commerce website and reseller model to correspond with anticipated regulatory approval.

Diversification of Business Assets and Strategies:
Early in the summer of 2019, management was aware of and closely following market indicators that appeared to be foretelling significant commoditization pressure across the cannabis industry and as a result, the Company started to diversify its business strategy to a wider biotech focus that would enable the Company to participate in the much broader health and wellness space. This continual review and assessment has resulted in broader partnerships and acquisitions outside of the cannabis industry and ultimately lead to the acquisition of the Quicksome™ intellectual property assets and the intentional slowing down of cannabis-related expenditures during this transition window for the Company. For example: (a) the Company has frozen expenditures related to the property owned by MVM in British Columbia (see #1 of the section entitled "*Overall Performance*" - "*Business of MVMD OpCo*") as the business proforma forecasting that the high construction, labour, and political structure related to exports in Canada would in management's view limit the viability of this planned cannabis operation and would put unnecessary pressures on the Company's capital reserves; and (b) the Company has held off for the time being on developing the Colverde assets (see #4 of the section "*Overall Performance*" - "*Business of MVMD OpCo*"), which were acquired at or about the same time as the Quicksome™ IP Assets.

Current Focus - Development of Quicksome™ Technology:
Management has taken a variety of factors into consideration and determined it to be in the best interests of the Company to focus its resources on the development of the Quicksome™ IP Assets at this time as well as the readiness steps for the commencement of sales under the CannaBloom™ brand.

On July 17, 2020, the Company announced that it had completed the balance of the transfer of the Quicksome™ IP Assets in a form sufficient to protect and replicate the production process for desiccated liposomes for use globally across targeted nutraceutical, vaccine and pharmaceutical applications. The Quicksome™ technology, when successfully commercialized, provides the platform to enable nutraceutical and pharmaceutical product formulations with rapid onset, high bioavailability, and precision dosing for health and wellness applications through rapid dissolve strips that are placed under the tongue, similar to marketed breath strips with which many consumers are familiar. Quicksome™ is also powering a rapid dissolve powder that is poured into the mouth from a stick pack for larger formulation loads in addition to a convenient quick-release chew format.

It is well understood in the science community that many of the active ingredients contained in traditional pharmaceutical drugs and nutraceutical supplements are not well absorbed and suffer extensive degradation during first pass metabolism. Management believes MVMD's direct-to-mouth Quicksome™ technology will dramatically improve bioavailability of compounds that are traditionally heavily metabolized by MAO enzymes, glucuronidation and other conjugation processes.

Management believes that Quicksome™ provides the potential to revolutionize new product possibilities that were previously unimaginable and revitalize the economics of previously highly un-bioavailable active ingredients, the resulting being a new generation of product formulations that overcome the limitations of standard liposomal formulas, vastly improving the therapeutic index of a drug.

To date, MVMD has done research and development work with more than 60 molecules for a variety of nutraceutical and pharmaceutical applications, including drugs, vaccines, the emerging mushroom space and cannabinoids.

On July 31, 2020, the Company announced its results from a U.S. Food and Drug Administration (FDA) Polio Vaccine Lab evaluation that confirmed MVMD had successfully preserved Polio D Antigen in its proprietary Quicksome™ rapid dissolve oral strip technology. Using MVMD's proprietary 3-step low temperature Quicksome™ manufacturing process, MVMD was able to stabilize and preserve Polio D Antigen in sublingual strips at levels comparable to traditional commercial vaccines, however without the need for cold chain preservation (refrigeration) to prevent degradation. The Company is working with the FDA's Polio Lab to conduct formal cold chain stability tests on the Trivalent Inactivated Poliovirus Vaccine (tIPV) in the Quicksome™ technology. Cold chain tests are being done across the World Health Organization's (WHO) guideline temperature requirements for all three defined vaccine management categories including traditional cold chain between +2°C and +8°C, Extended Controlled Temperature Conditions (ECTC) above +8°C for a specified number of days to support vaccine distribution, and Controlled Temperature Chain (CTC) where the vaccine must be able to tolerate ambient temperatures of at least +40°C for a minimum of 3 days.

Cold chain is a temperature-controlled supply chain that prescribes necessary conditions during the transport, storage, and handling of vaccines to preserve a temperature range between +2°C and +8°C from the time the vaccine is produced until it is administered.

While almost all vaccines used in immunization programs currently are licensed for storage and distribution within the traditional cold chain of +2°C to +8°C, ECTC and CTC programs were developed by the WHO to distinguish regulatory requirements from program aspects to assure the performance of a vaccine following short-term exposure at any temperature above the traditional 2–8 °C cold chain that might support vaccine distribution. The Company is looking to confirm its Quicksome™ technology can enable the development of rapid dissolve oral strips that could effectively deliver the polio vaccine needle-free while completely eliminating the need for the current cold chain vaccine logistics.

The U.S. Food and Drug Administration's Polio Lab is headed by associate director of research Dr. Konstantin Chumakov. Dr. Chumakov is also a member of the Global Virus Network, an international coalition of virologists aimed at preventing and eradicating viral diseases. Dr. Chumakov and his team have developed the ELISA (enzyme-linked immunosorbent assay) method used to quantify the ability for MVMD to preserve the Polio D Antigen in the Company's Quicksome™ technology. ELISA is a plate-based assay technique designed for detecting and quantifying soluble substances such as peptides, proteins, antibodies, and hormones.

Management believes vaccines are the cornerstone of global health efforts to curb and eradicate common diseases such as polio and outbreak pandemics such as Influenza and COVID-19. Both inactivated influenza vaccines, whether universal or seasonal, and subunit COVID-19 vaccines are highly heat labile (sensitive). Traditional vaccine manufacturing requires storage and distribution in a cold chain to overcome heat sensitivity, making global distribution and compliance difficult and costly. The FDA's Polio D Antigen preservation results demonstrate that Mountain Valley MD's proprietary and patented Quicksome™ low temperature strip manufacturing technology can be successfully applied to heat labile vaccines, complex proteins such as insulin or glucagon, peptides and other molecules and constructs that are sensitive to heat and oxidation. Management believes its Quicksome™ technology has the ability to reduce costs, improve vaccine stability and effectiveness,

and enable convenient needleless administration of vaccines globally.

In keeping with MVMD's mission to enable people to live their best life, the stability of the Quicksome™ vaccine platform opens up vaccine delivery in third world countries where infrastructures for vaccination are poor or nonexistent and even many currently available vaccines cannot be delivered. In other cases, the cost of vaccines is too high for such countries to afford, even though this is often where they are most needed.

For decades scientists have been working to solve the problem of vaccine instability and cold chain distribution with little progress. Approaches such as micro-needle applications, lyophilization, spray drying, and others have not reached mass commercialization due to problems of complexity, cost, and long-term stability challenges.

The Company believes its proprietary Quicksome™ manufacturing technology will quickly enable partners to commence large-scale production of numerous vaccines and proteins at temperatures that maintain and preserve their biological action, which would allow for long term stability and ease of global distribution, appropriate for pandemic preparedness, stockpiling with other administration and distribution advantages. The Company also believes this technology would allow for needleless administration, with no pain, reducing risk of infection and common site injection reactions, as well as reducing the complexities associated with medically supervised patient injections.

On August 6, 2020, MVMD announced the commencement of two pre-clinical trials designed to demonstrate the efficacy of its proprietary Quicksome™ technology in overcoming key absorption limitations of the oral drug Ivermectin plus provide data on the pharmacokinetics of the Quicksome™ oral strip sublingual technology. In preparation for these clinical trials, the company has successfully complexed ivermectin into its proprietary Quicksome™ rapid dissolve oral strip technology.

Ivermectin is an antiparasitic drug that is administered to billions of livestock and companion animals annually and to humans to treat various parasitic infestations including development of broader applications for the control of malaria. According to the National Center for Biotechnology Information (NCBI) research published in May 2020, ivermectin has antiviral potential to inhibit virus action and is currently being explored by various companies in clinical trials for potential use in treating COVID-19. Ivermectin is also widely used and available as an effective in vitro treatment against HIV, dengue, Zika virus, and others.

With the ongoing prevalence of parasitic infections such as ascariasis, lymphatic filariasis, and river blindness in humans and animals, plus numerous in vitro treatments, and advanced vaccine research, management believes the Quicksome™ technology applied against the opportunities with ivermectin are very significant and the results of these studies can be extrapolated to a long list of similar class drugs including but not limited to anti-convulsants, such as Carbamazepine, pain killers such as Ketoprofen, and antibiotics such as Rifampicin, and even cannabinoids and their derivatives.

Ivermectin is a BCS Class IIa drug, with poor water solubility, poor absorption and highly variable oral bioavailability, and as such, the Company believes is an ideal candidate for use in preclinical trials to generate data that demonstrate the efficacy of the Quicksome™ technology to boost bioavailability and bio efficacy. The pre-clinical canine model studies were designed to prove both oral and sublingual superiority of the Quicksome™ formulations versus a commercial oral formulation tablet. The studies will examine maximum plasma concentration (Cmax), Time of Maximum concentration observed (Tmax), and Area Under the Curve (AUC) to measure time-based drug concentrations in the bloodstream for both the Quicksome™ ivermectin dose and the commercially available form to allow for direct comparisons.

Management believes there are many additional drugs whose absorption profiles can be vastly improved through the Company's Quicksome™ technology without the need for traditional Phase One through Phase Three studies. The Company's objective is to target the multiple billions of dollars of

drugs currently in use and approved globally and work with pharmaceutical partners to reformulate for improved efficacy and onset with the Quicksome™ technology.

On August 25, 2020, MVMD announced the appointment of Dr. John D. Clements to its Advisory Board. Dr. John Clements is Emeritus Professor of Microbiology and Immunology at Tulane University School of Medicine. With over 35 years of experience in vaccine, immunology and infectious diseases research and development, Dr. Clements brings invaluable expertise and advisory capacity to help advance Mountain Valley MD's ongoing Quicksome™ sublingual polio vaccine development activities.

Dr. Clements' distinguished scientific career has focused on developing and evaluating vaccines for a wide range of infectious diseases globally (including diarrheal diseases, Polio and HIV), including involvement in academia, research and development, governmental and vaccine advisory boards and professional journals. Dr. Clements has published more than 150 peer-reviewed papers, has 14 issued patents, and has been involved in numerous vaccine clinical trials. Dr. Clements has worked with leading vaccine focused organizations such as the Centers for Disease Control and Prevention (CDC), Food and Drug Administration (FDA), National Institutes of Health (NIH), and the United States Military.

Dr. Clements' extensive vaccine experience and deep understanding of diseases like polio and H1N1 brings the expertise needed to help accelerate the Company's work on effective sublingual mucosal vaccines and management believes the ability for Dr. Clements to immediately help build upon MVMD's ongoing work with the FDA's Polio lab on needle-free vaccine delivery and the applications and transferability of expertise into other Quicksome™ vaccine work is significant. Management believes a needle-free, cost-effective, polio vaccine could be a major step towards global polio eradication. The Company's Quicksome™ technology has already proven its ability to stabilize and preserve the Inactivated Poliovirus Vaccine (IPV) and management believes that the technology holds promise in delivering a needle-free effective sublingual polio vaccine and probably many other globally needed vaccines as well.

Current Focus - CannaBloom™:

As part of the Company's diversification strategy, management met with Agroresults (see # 6 and 7 of the section entitled "*Overall Performance*" - "*Business of MVMD OpCo*) to discuss opportunities for distribution of their Nano Max 1000 plant stimulant technology. The Agroresults technology is 100 percent organic and applied to agricultural crops to increase plant yields by activating the plants' "anti-stress defense mechanisms" at the cellular level, without the actual stress factor. Treated plants grow deeper roots and open up their foliage to optimize the effect of photosynthesis, thus increasing growth hormones, plant efficiency for water use and nutrients, and increasing overall resistance to diseases and stressed climate conditions.

Pursuant to the terms of the supply and licence agreement with Agroresults (announced on August 7, 2020), Agroresults will manufacture all of the CannaBloom™ products to the specifications outlined by the Company across a variety of agricultural crops for global distribution, including providing the Nano Max 1000 technology exclusively for a unique organic formulation for hemp and cannabis crops. The Company is currently working with Agroresults on the necessary product registration steps to prioritize key focus markets. Agroresults is conducting the regulatory work initially in Canada and key states within the United States and it is anticipated that the product(s) will be available for sale in these markets within the next 180 days. MVMD is building out the packaging, sales collateral, e-commerce website and reseller model to correspond with anticipated regulatory approval. Once registered in each jurisdiction, the Company will be able to commence sales and marketing activities in eligible territories.

The Company's internal testing of CannaBloom™ over the past several quarters in Canada and South America has seen yield increases on a variety of crops consistently of 20% and in certain cases by as much as 40% through this easily applied plant stimulant. Management believes that

CannaBloom™ offers a very promising diversified vertical for the Company by inserting MVMD directly in the food supply chain on a global scale.

In addition to the Company's internal field tests, Agroresults Inc. has tested the plant stimulant technology across all major agricultural crops and has conducted over 200 global field trials to validate its effectiveness. CannaBloom™ is delivered in a liquid concentrate form that gets mixed with water at the point of application and then applied via sprayer to the plant at each of the germination, vegetative and reproductive stages of a plant's lifecycle. The product concentrate formulations scale from small home application spray bottles through to large commercial farming tank sprayers.

MVMD OpCo has filed for the trademark protection of CannaBloom™: SMR017 Serial number 88957408 and has received organic certification of CannaBloom™ through the Organic Materials Review Institute (OMRI). OMRI is a non-profit organization that provides an independent review of products, such as fertilizers, pest controls, livestock health care products, and numerous other inputs that are intended for use in certified organic production and processing. OMRI reviews products against organic standards and once approved, acceptable products appear on the OMRI Products Lists© on their company website at omri.org.

The Company believes CannaBloom™ presents a significant opportunity given the dramatically changing global agricultural landscape, where population growth is driving need for more agricultural output while also limiting available farmlands due to urban sprawl.

Intellectual Property:
The Company's Quicksome™ technology is protected by its principal process patents and the ongoing formulation patents as new molecules and products are developed. The Company maintains 14 patents in its patent portfolio, plus 12 extensions, and anticipates ongoing filings to continue to protect its intellectual property which it believes is the core of its value proposition for future licensing agreements. One of the principal patent applications titled Preparation of Desiccated Liposomes for Use in Compressible Delivery Systems, has been renewed recently for an additional four years.
To further protect the value of its intellectual property acquired from Smartek, the Company has documented and successfully replicated the necessary trade secrets related to numerous priority product formulations in order to be able to develop and commercialize product in the absence of the principal inventor of the Quicksome™ technology.

Trends and Risks
The most significant trends and uncertainties which management expects could impact its business and financial condition continue to focus on the global spread of the COVID-19 virus. The current climate of uncertainty around the spread, speed and fatality of this virus globally is a potential threat to general business development activities, the raw material supply chain for the company's products, employee engagement on key business activities, and the overall capitalization of the business.

The health of the MVMD team has not to date been impacted and the Company has been able to continue to work effectively on many key business priorities.

Additionally, although deemed a more minor part of the overall company's health and wellness strategy and current activities, the cannabis vertical of the organization could be impacted beyond the COVID-19 implications referenced above through (i) the changing legal and regulatory regime which regulates the production, sale and export of cannabis and cannabis related products in each territory in which it intends to operate in some capacity, including but not limited to Canada and Colombia; (ii) the ability of companies who may receive funds from the sale of cannabis and cannabis related products to adequately track and legally transfer such funds; and (iii) the ability of companies to raise adequate capital to carry out their business objectives.

Finances / Impairment –

The Company continues to run very lean in management's opinion on its staffing and overhead expenditures, focusing on initially proving the science of its Quicksome™ technology and key business development efforts as the foundational prerequisite for the next phase of Company growth. Relying extensively on directing and coordinating external partners for GMP sample manufacturing used for pre-clinical trial and business development requirements, management believes it has successfully deferred hundreds of thousands of dollars in investments that would be necessary to replicate these services internally.

MVMD's Quicksome™ technology revenue strategy is focused on coordinating licensing deals with leading partners who will reinvent how they take both their existing and new drug, vaccine and nutraceutical products to market. Near term cash requirements are focused on research and development and obtaining the necessary pharma kinetic data through pre-clinical trials.
Management believes that MVMD's diversification within the health and wellness space rather than limiting its focus to the cannabis industry has been very timely and has positioned the Company well to take advantage of its newly diversified opportunities.

Commensurate with management's focus on the Quicksome™ and CannaBloom™ assets and the decision to hold off on further development of its cannabis-related assets, it has been necessary to impair the cannabis-related assets and the value of the cannabis-related assets has been reduced or written down.

SUMMARY OF QUARTERLY RESULTS:

The following is a summary of the periods from incorporation on October 26, 2018 to June 30, 2020, which have been derived from the financial statements of the Company. This summary should be read in conjunction with the March 31, 2020 audited consolidated financial statements and the interim consolidated statements of the Company for the same periods.

	Q1 June 30, 2020	Q4 March 31, 2020	Q3 December 31, 2019	Q2 September 30, 2019	Q1 June 30, 2019	Q4 March 31, 2019	Q3 December 31, 2018
	(audited)	*(audited)*	*(unaudited)*	*(unaudited)*	*(unaudited)*	*(audited)*	*(unaudited)*
Revenue	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Net earnings (loss)	(766,143)	(17,085,526)	(882,752)	(510,384)	(365,952)	(868,026)	(29,006)
Basic and diluted earnings (loss) per share	(0.00)	(0.09)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Cash and cash equivalents	945,250	1,741,563	3,441,430	4,119,288	4,680,989	9,086,662	223,153
Working Capital	971,529	1,425,903	2,591,743	3,884,646	4,245,963	9,563,946	186.462
Total Assets	11,542,944	12,233,884	17,050,541	4,493,760	15,200,743	11,488,283	223,153
Non-current financial liabilities	$2,838,496	$2,745,272	$Nil	$Nil	$Nil	$Nil	$Nil

Significant variations in the most recent eight quarters are discussed below:

For the quarter ended June 30, 2020, the Company incurred a loss of $766,143 which mainly consisted of the following:

- The Company incurred a $132,055 loss from equity associate (June 30, 2019: $Nil), which represents the Company's share of operating costs relating to the investment in Sativa Nativa SAS.

General and administrative increased from $359,016 for the quarter ended June 30, 2019 to $466,963 as follows:

- Consulting fees of $171,000 (June 30, 2019: $99,893) increased as the Company entered into formal consulting contracts with management that were not in place in the prior period.
- Professional fees of $129,510 (June 30, 2019: $161,777) decreased as the Company did not enter into investment acquisitions during the first quarter. The majority of legal fees incurred related to the Company's intellectual property.
- The Company incurred transfer agent and filing fee costs of $17,383 (June 30, 2019 $Nil). These costs related to initial setup and transfer of shares relating to the amalgamation.

For the quarter ended March 31, 2020, the Company incurred a loss of $17,085,526, which mainly consists of the following:

- Listing expense of $6,178,692 ($Nil, March 31, 2019). This increase related to the expenses associated with going public. The difference between the purchase price consideration and the net assets required is what makes up the listing expense. Of the $6,178,692 loss, the actual cash component paid was $614,411. The remaining loss consists of non-cash, share based compensation in the amount of $5,564,281. See section entitled "Result of Operations" and note 7 of the financial statements.
- Impairment in Associates of $7,842,297 ($Nil, March 31, 2019). This relates to management impairing its investments in Sativa Nativa SAS and CCJC Holdings Inc. See section entitled "Result of Operations" and note 9 of the financial statements.
- Impairment of intangible asset of $1,438,750 ($Nil, March 31, 2019). This relates to the impairment of the Company's suite of cannabis licenses in Colverde MD SAS. See section entitled "Results of Operations" and note 6 of the financial statements.

For the quarter ended December 31, 2019, the Company's loss of $882,752 mostly relates to monthly consulting fees and professional fees related to its intellectual property acquisition.

For the quarter ended September 30, 2019, the Company's loss of $510,384 mostly relates to monthly consulting fees and professional fees related to the Amalgamation.

For the quarter ended March 31, 2019 and June 30, 2019, the Company's loss of $365,952 and $868,026 mostly relates to monthly consulting fees and professional fees related to the Colverde and Sativa Nativa acquisitions.

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2020, the Company had a cash of $945,250 compared to $4,680,989 as at June 30, 2019. The Company had working capital of $971,529 as at June 30, 2020 compared to working capital of $4,245,963 as at June 30, 2019. Working capital decreased as the Company paid consulting fees, legal fees, cash for acquisitions, and paid cash in relation to the reverse takeover transaction.

The Company has total debt of $3,512,262 at June 30, 2020 ($562,249 as at June 30, 2019). Cash consumed by operating activities after changes in non-cash working capital during the year ended June 30, 2020, was $837,911, compared to cash consumed of $306,216. The Company was more active in its operations in the current quarter, and paid out considerably more fees to consultants, lawyers and other professionals.

For the three months ended June 30, 2020, investing activities consumed cash of $33,402 compared to the comparable period June 30, 2019, where investing activities consumed cash of $4,884,957. The Company paid cash for its shares in investments and associates in the comparable quarter.

For the three months ended June 30, 2020, financing activities provided cash of $75,000 from the exercise of options compared to the comparable period June 30, 2019, where financing activities provided cash of $785,500. The Company raised significantly more funds in 2019 via private placements.

In January 2020, also prior to the completion of the Amalgamation, the Company issued convertible debenture units to Casino Gold Corp. ("Casino"), raising gross proceeds of $350,000 by way of the sale of 350 convertible debenture units (the "Convertible Debenture Units") to Casino. Each Convertible Debenture Unit consisted of one secured convertible debenture of the Company (a "Convertible Debenture") in the principal amount of $1,000 and 1,000 share purchase warrants of the Company (the "Convertible Debenture Warrants"). Each Convertible Debenture Warrant will entitle the holder to acquire one additional common share (a "Resulting Issuer Share") of the resulting issuer upon completion of the Amalgamation (the "Resulting Issuer") at a price of $0.06 ($0.48, post-Consolidation) per Resulting Issuer Share for a period of five years. Each Convertible Debenture will have a maturity date of four years, earn interest at the rate of 10% per annum, with the principal and accrued interest convertible into units of the Resulting Issuer ("Conversion Units") at a price of $0.05 per Conversion Unit ($0.40, post-Consolidation). Each Conversion Unit will consist of one Resulting Issuer Share and one share purchase warrant (a "Conversion Warrant"), with each Conversion Warrant entitling the holder to acquire one Resulting Issuer Share at a price of $0.06 ($0.48, post-Consolidation) per Resulting Issuer Share for a period of five years. The Convertible Debenture was converted subsequent to the year ended March 31, 2020.

See the related three months ended, June 30, 2020 consolidated financial statements for a breakdown of share transactions during the quarter and comparable period.

At present, the Company's operations do not generate cash flow and its financial success is dependent on management's ability to develop and license its Quicksome™ IP Assets as well as to commence sales under the CannaBloom™ brand. It is management's belief that the current pre-clinical trials that are underway for both polio and ivermectin, and the cold chain tests being conducted by the FDA Polio Lab, will provide the Company with the data necessary to start constructive and significant licensing discussions with leading drug, vaccine and nutraceutical partners. In the nutraceutical space, the Company is in advanced product development cycles against contracted specifications and in current negotiations with distributors and more broadly, potential partners. Management anticipates revenues in the nutraceutical space before the end of calendar year 2020. Additionally, the Company's CannaBloom™ product is anticipated to start generating initial revenues commensurate with Agroresults obtaining the necessary licensing in the identified target markets. (See section entitled "Overall Performance" – *Current Focus - Development of Quicksome™ Technology"* and "Current Focus - *CannaBloom™*").

In order to continue as a going concern and to meet its corporate objectives, in particular regarding the Quicksome™ IP Assets and CannaBloom™, the Company will require additional financing through debt or equity issuances or other available means. Through previous financing raises, the Company has outstanding warrants that have the potential to contribute up to $17 million in capital based on the performance of the MVMD share price. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Management believes it will be able to raise capital as required but recognizes there will be risks involved that may be beyond their control.

The ability of the Company to continue as a going concern is dependent on achieving profitable operations, commercializing its intellectual property and investments in associates, and obtaining the necessary financing in order to develop these assets further. The outcome of these matters cannot be predicted at this time. The Company will continue to review the prospects of raising additional debt and equity financing to support its operations until such time that its operations become self-sustaining, to fund its research and development activities and to ensure the realization of its assets and discharge of its liabilities. While the Company is expending its best efforts to achieve the above plans, there is no assurance that any such activity will generate sufficient funds for future operations.

OFF-BALANCE SHEET ARRANGEMENTS

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

RELATED PARTY TRANSACTIONS

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence for the period ended June 30, 2020 and 2019:

Period ended June 30,	**2020**	2019
	$	$
Short-term benefits	**75,000**	99,893
Business development	**-**	59,200
	75,000	159,093

Included in accounts payable and accrued liabilities as at June 30, 2020, was $13,000 (2019: $115,000) owing to related parties. The payment terms are similar to the payment terms of non-related party trade payables.

The Company is owed $91,492 from the former CFO as June 30, 2020 (2019: $Nil), the amount was received subsequent to the period end.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the consolidated financial statements in conformity with IFRS requires the use of judgments and/or estimates that affect the amounts reported and disclosed in the consolidated financial statements and related notes. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ materially from the amounts included in the consolidated financial statements. For significant estimates and judgements refer to the audited consolidated financial statements for the year ended March 31, 2020.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The fair value of the Company's financial assets and liabilities approximate the carrying amount due to their short term nature and capacity for prompt liquidation.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of 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 and 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 Company did not have any transfers between levels during the year.

As at June 30, 2020, the Company did not have any financial assets and liabilities which are measured at fair value, other than Equity Investments. There were no transfers between Level 1, 2 or 3 during the period ended June 30, 2020.

a) Credit risk

Credit risk is the risk that the financial benefits of contracts with a specific counterparty will be lost if a counterparty defaults on its obligations under the contract. Credit risk arises from cash, deposits and note receivable. The amount of credit risk related to cash and cash equivalents is considered insignificant as the Company's funds are held with a Schedule I bank.

The credit risk for both the cash and cash equivalent and note receivable is monitored quarterly, and any change is reflected as an adjustment through expected credit loss.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet is financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure. The Company monitors and reviews current and future cash requirements and matches the maturity profile of financial assets and liabilities. As at June 30, 2020, the Company had cash of $945,250 to meet current financial liabilities of $673,766.

As at June 30, 2020, the Company's financial liabilities have contractual maturities as summarized below:

	Due within		
	0-12 months	1-2 years	2-3 years
	$	$	$
Accounts payable and accrued liabilities	322,336	-	-
Lease liability	31,430	-	-
Mortgage payable	320,000	-	-
Convertible debt	-	-	350,000
Total	673,766	-	350,000

As at June 30, 2020, the Company liabilities of $562,249 are all due within twelve (12) months.

c) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices and is comprised of currency risk, interest rate risk, and other price risk.

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company does not expect any material movements in the underlying market risk variables over a one-year period. However, a 10% change in the equity investments will translate to a $265,948 gain or loss from equity investments.

OUTSTANDING SHARE DATA

The Company had the following common shares, preferred shares, stock options and warrants outstanding as at the date of this report:

Issued and Outstanding Common shares	249,568,767
Issued and Outstanding Class B shares	50,056,229
Stock options	10,938,500
Warrants	51,856,919

SUBSEQUENT EVENTS

a) On July 17, 2020, the Company issued 875,000 common shares with the conversion of the outstanding convertible debenture referred to in Note 12.

b) On July 28, 2020, the Company issued 300,000 shares in regard to the exercise of stock options at $0.05. The Company received $15,000 in gross proceeds

c) On August 4, 2020, the Company issued 200,000 shares in regard to the exercise of stock options at $0.05. The Company received $10,000 in gross proceeds

d) On August 4, 2020, the Company issued 100,000 shares in regard to the exercise of stock options at $0.07. The Company received $7,000 in gross proceeds

e) On August 10, 2020, the Company issued 250,000 shares at $0.0165 in regard to finder's fees related to a supply and license agreement. The fair value was determined based on the Company's recent trading price.

f) On August 31, 2020, the Company issued 100,000 stock options at $0.22 to an advisor. The options are exercisable for a period of five (5) years from the date of grant. The options vest over a one (1) year period. On the same date, the Company also signed a month to month advisory agreement for $835 per month with the same individual.

ADDITIONAL INFORMATION

Additional information concerning the Company and its operations is available on SEDAR at www.sedar.com.