MOUNTAIN VALLEY MD HOLDINGS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS (QUARTERLY HIGHLIGHTS)

FOR THE SIX-MONTH PERIOD ENDED SEPTEMBER 30, 2020

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

The information presented in this Management's Discussion and Analysis – Quarterly Highlights ("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 advance its business plan effectively during the COVID-19 pandemic, 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 manage key suppliers effectively, 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 – QUARTERLY HIGHLIGHTS

November 30, 2020

This Management Discussion and Analysis – Quarterly Highlights ("MD&A") have been prepared in compliance with the requirements of section 2.2.1 of Form 51-102F1 – *Management Discussion and Analysis*, in accordance with National Instrument 51-102 – *Continuous Disclosure Obligations.* is intended to help the reader understand the Company's financial statements. The statements are provided for the purpose of reviewing the interim financial statements for the three and six months ended September 30, 2020 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 and 2019 and the unaudited interim consolidated financial statements for the three and six months ended September 30, 2020. The results for the three and six month periods ended September 30, 2020 are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at November 30, 2020 unless otherwise indicated.

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

MVMD is a publicly traded health and wellness company engaged, through Mountain Valley MD Inc. ("MVMD OpCo"), in building a world-class organization centered around the implementation of its patented Quicksome™ oral drug formulation and delivery technologies and its patent-pending Quicksol™ solubility formulation technology 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.

The Company's patent-pending Quicksol™ technology covers all highly solubilized macrocyclic lactones that, when successfully commercialized, could be effectively applied in multiple viral applications that could positively impact human and animal health globally. When successfully implemented, the Quicksol™ technology is believed to improve the effectiveness and application options for numerous drugs on the market while also supporting the invention of novel drugs that are not limited based on their solubility.

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 [see "Subsequent Events"]; 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 [see "Subsequent Events"].

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

OVERALL PERFORMANCE AND BUSINESS OUTLOOK

Through MVMD Opco, MVMD focused its efforts on 2 primary aspects of its business: a) the development of its delivery and solubility technologies and preparation for the licensing of the technologies to third parties; and b) the readiness steps for the commencement of sales under the CannaBloom™ brand.

Quicksome™ and Quicksol™ Technologies:

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 planned 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.

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 when necessary, 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. During a review of interim reporting of progress in the ivermectin pre-clinical trial, it was determined that enhanced ivermectin solubility could have a significant impact on the efficacy of the Quicksome™ technology and internal lab work was completed that led to a new solubility invention and the related patent filings. The Company anticipates pre-clinical results for both pre-clinical trials in December.

Management believes there are many additional drugs whose absorption profiles can be vastly improved through the Company's Quicksome™ technology. 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.

CannaBloom™:

MVMD OpCo entered into a supply and licence agreement (the "AR Agreement") with Agroresults Inc. ("Agroresults"), a private Ontario corporation, on August 7, 2020. Agroresults' Nano Max 1000 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. According to studies conducted by Agrogresults, 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 AR Agreement, Agroresults will manufacture all CannaBloom™ products to the specifications outlined by MVMD OpCo 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.

MVMD OpCo worked with Agroresults to complete the necessary product registration requirements as of late November and the Company plans to commence sales of CannaBloom™ in December, 2020

coinciding with the finalization of packaging, sales collateral and the launch of the e-commerce website.

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. Additionally, its recent Quicksol™ solubility technology, encompassing all highly solubilized macrocyclic lactones, has also been filed for patent protection. The Company maintains 15 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.

Quicksol™ Solubility Confirmation
On November 11, 2020, the Company announced that it confirmed the ability to make the drug ivermectin water-soluble without the use of organic solvents, which may enable the drug to be dosed by injection or inhalation in humans. The Company believes the implications of this achievement will allow for significantly improved dosing by injection, orally consumed enteric coated capsules, and/or inhalation and, based on a recent ICON[1] study (the "ICON Study"), may offer a potentially significant therapeutic in the fight against COVID-19. The ICON Study confirmed that the use of ivermectin is associated with a lower mortality in hospitalized COVID-19 patients despite being limited to an orally dosed tablet with poor bioavailability, an issue that MVMD believes would be directly addressed with the Company's discovery.

Ivermectin is a well-documented anti parasitic drug being used globally in both veterinary and human medicine and its uses are being broadened to include such applications as an anti-malarial. Billons of world-wide doses annually are utilized in underdeveloped countries to protect most domestic and husbandry animals from parasites including poultry, pigs, cattle and horses. Ivermectin has documented limitations due to its poor solubility in water (.005 mg/ml), thereby requiring the use of toxic organic solvents such as glycerol formal and ethanol, eliminating the possibility of FDA approval for a human injectable form or a more bio-available oral solution.

MVMD scientists, while working on improving the inclusion of ivermectin into the Company's patented Quicksome™ delivery system, made the discovery that they were able to make ivermectin highly water-soluble without the use of organic solvents, improving its water solubility by nearly 5,000 times[2]. The Company believes that this result would eliminate the main limiter of the drug ivermectin to achieve stronger pharmacokinetics and better overall efficacy.

Further, the new discovery uses only excipients that are currently approved by the US Food and Drug Administration (FDA). As the Company's strategy is to license its intellectual property to global pharmaceutical, vaccine and nutraceutical third parties, MVMD believes this discovery provides additional advantages to potential licensees as it may enable them to obtain FDA approvals more quickly based on there being fewer approval steps required for immediate applications in human and animal dosing.

According to The National Center for Biotechnology Information abstract dated October 7, 2020 (Ivermectin: an award-winning drug with expected antiviral activity against COVID-19[3]), the potential for ivermectin to be an antiviral agent for COVID-19 and other emerging viral diseases is based on the ability

[1] ICON - Use of Ivermectin Is Associated With Lower Mortality in Hospitalized Patients With Coronavirus Disease – https://journal.chestnet.org/article/S0012-3692(20)34898-4/fulltext
[2] The Company had previously engaged the services of a third-party preclinical contract research organization ("CRO") in connection with its Quicksome™ technology. The CRO confirmed the solubility through a preliminary evaluation.
[3] October 7, 2020 - Ivermectin: an award-winning drug with expected antiviral activity against COVID-19 https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7539925/

to overcome its property of poor water solubility and consequential low oral bioavailability. Appropriate drug formulations must address the poor water-solubility of ivermectin and the difficulty in delivering the drug to desired target areas, notably the pulmonary environment.

According to Fior Market Research's (FMR) Global Ivermectin Medication Market Insights research report[4], the COVID-19 virus has been found to impact the lungs of patients directly and cause inflammation to several organs. Ivermectin medication has been used for treatment in various viruses such as RNA, Influenza A, Zika Virus, dengue, yellow fever, equine herpesvirus, new castle and others, which had similar symptoms on the human body as that of COVID-19. It has antiviral effects, which provides relief to slow down the effect of symptoms on the body. With several studies and research conducted on the potential contribution of ivermectin, it has been termed as an inhibitor of the SARS-COV-2 virus. The FRM report confirms ivermectin is a potential drug for the treatment of viruses, as only a single dose of it affects a 5000-fold reduction of viral RNA.

Additionally, FRM reports[4] that a recent study has revealed that the use of ivermectin collectively with doxycycline effects the entry of viral in the body and clears a load of the virus by targeting the functional proteins. In the United States and certain other countries, an apparent high success rate of the patients who were given ivermectin medication was found. The recovery duration was also found to be shortened in some cases, along with relief in symptoms.

MVMD filed a patent application to cover all highly solubilized macrocyclic lactones, including ivermectin and selamectin, which have also been shown to be effective in the treatment of tuberculosis even with limited solubility. The Company believes its solubility technology can dramatically enhance the efficacy of both inhaled and injected selamectin or ivermectin providing a novel effective therapeutic for tuberculosis. According to the World Health Organization[5], tuberculosis is one of the top 10 causes of death and the leading cause from a single infectious agent globally.

Trends and Risks; COVID 19

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.

[4] Fior Market Research - Global Ivermectin Medication Market Insights research report www.fiormarkets.com

[5] WHO – Tuberculosis Fact Sheet https://www.who.int/news-room/fact-sheets/detail/tuberculosis

SUMMARY OF QUARTERLY RESULTS

The following is a summary of the periods from incorporation on October 26, 2018 to September 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.

	September 30, 2020 $	June 30, 2020 $	March 31, 2020 $	December 31, 2019 $
Total assets	10,775,762	11,542,944	12,233,884	17,050,541
Working capital	174,462	971,529	1,425,903	2,591,743
Non-current financial liabilities	3,287,686	2,838,496	2,745,272	$Nil
Revenue	$Nil	$Nil	$Nil	$Nil
Net income (loss)	(862,572)	(766,143)	(17,085,526)	(882,752)
Earnings (loss) per share	(0.00)	(0.00)	(0.08)	(0.00)
Weighted average common shares oustanding	249,117,933	246,010,266	208,414,518	204,568,933

	September 30, 2019 $	June 30, 2019 $	March 31, 2019 $	December 31, 2018 $
Total assets	4,493,760	15,200,743	11,488,283	223,153
Working capital	3,884,646	4,245,963	9,563,946	186,462
Non-current financial liabilities	$Nil	$Nil	$Nil	$Nil
Revenue	$Nil	$Nil	$Nil	$Nil
Net income (loss)	(510,384)	(365,952)	(868,026)	(29,006)
Earnings (loss) per share	(0.00)	(0.00)	(0.01)	(0.00)
Weighted average common shares oustanding	202,963,194	193,949,552	93,720,659	93,720,659

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

For the quarter ended September 30, 2020, the Company incurred a loss of $862,572 which mainly consisted of the following:

- The Company incurred a $133,210 loss from equity associate (September 30, 2019: $Nil), which represents the Company's share of operating costs relating to the investment in Sativa Nativa SAS.
- The Company further wrote down the investment in Sixth Wave Innovations Inc. (CSE: SIXW) in the amount of $43,332 (2019: $Nil) based on Level 1 input under the IFRS 13 fair value hierarchy using the trading price of Sixth Wave Innovations Inc. as at September 30, 2020.General and administrative remained relatively stable from $505,620 for the quarter ended September 30, 2019 to $561,442 for the quarter ended September 30, 2020 as follows: Legal and accounting fees were $149,599 for the quarter ended September 30, 2020, compared to $197,505 for the quarter ended September 30, 2019 as the Company completed acquisitions in 2019 that required additional legal work.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2020, the Company had cash of $418,401 compared to $4,119,288 as at September 30, 2019. The Company had working capital of $174,642 as at September 30, 2020 compared to working capital of $3,884,646 as at September 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 that was completed in February 2020 by way of three-cornered amalgamation (the "Amalgamation").

The Company has total debt of $3,512,262 at September 30, 2020 ($609,114 as at September 30, 2019). Cash consumed by operating activities after changes in non-cash working capital during the year ended September 30, 2020, was $1,282,970, compared to cash consumed of $397,784. 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 six months ended September 30, 2020, investing activities consumed cash of $33,402 compared to the comparable period September 30, 2019, where investing activities consumed cash of $5,464,957. The Company paid cash for its shares in investments and associates in the comparable quarter.

For the six months ended September 30, 2020, financing activities provided cash of $107,000 from the exercise of options compared to the comparable period September 30, 2019, where financing activities provided cash of $895,367. The Company (MVMD OpCo) raised significantly more funds in 2019 via private placements.

In January 2020, 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 on July 14, 2020.

See the related three months ended, September 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™ intellectual property 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.

In order to continue as a going concern and to meet its corporate objectives, in particular regarding the

Quicksome™ intellectual property 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 September 30, 2020 and 2019:

Period ended September 30,	**2020**	2019
	$	$
Short-term benefits	**165,000**	272,393
Business development	**-**	59,200
	165,000	331,593

Included in accounts payable and accrued liabilities as at September 30, 2020, was $Nil (2019: $57,500) owing to related parties. The payment terms are similar to the payment terms of non-related party trade payables.

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 September 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 September 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 September 30, 2020, the Company had cash of $418,401 to meet current financial liabilities of $695,241.

As at September 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	343,811	-	-
Lease liability	31,430	-	-
Mortgage payable	320,000	-	-
Total	695,241	-	-

As at September 30, 2020, the Company liabilities of $609,114 are all due within twelve (12) months. (See Subsequent Events regarding the anticipated sale of the property subject to the mortgage and the resulting elimination of the mortgage payable.)

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 $279,355 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 October 1, 2020, the Company signed a strategic advisory agreement for a period of twelve (12) months. The Company will pay $15,000 per month to be settled in cash or common shares.

b) On November 24, 2020, the Company entered into a share purchase and exchange agreement (the “SPA”) with Circadian Wellness Corp. (“CW”), a private Ontario corporation, for the sale of MVMD’s subsidiaries (Mountain Valley Medicinals and 0987182 BC Ltd.) and their respective assets, including the property in British Columbia (Notes 10 and 11), for a purchase price of $1,000,000 (increased for prepaid assets) (the “MVM Sale”). Pursuant to the terms of the SPA, subject to certain conditions, MVMD will sell, transfer and assign all of the outstanding securities of MVM to CW for a deposit of $100,000 on signing of the SPA, a cash payment of $334,233.62, the issuance of 3,111,111 common shares of CW (the “CW Shares”) at $0.09 per share (representing an approximate 9.17% equity interest in CW), and the payment (or assumption) of the Mortgage ($320,000). The MVM Sale is anticipated to close on or about December 2, 2020. As a result of acquiring the CW Shares, MVMD will become a party to the unanimous shareholder agreement of CW.

c) On November 24, 2020, the Company signed a binding letter of intent with CW to enter into a licence agreement (the “CW Licence Agreement”) for the licence of MVMD’s Quicksome™ technology and unique formulations to be prepared for CW. CW will pay an advance payment to MVMD of $250,000, representing the Company’s first revenues. The CW Licence Agreement is anticipated to be completed before the end of December 2020.

ADDITIONAL INFORMATION

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