



MOUNTAIN VALLEY MD HOLDINGS INC.

**Unaudited Interim Condensed Consolidated Financial Statements
For the nine months period ended December 31, 2020 and 2019**

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim financial statements for the nine months ended December 31, 2020 in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of the interim financial statements by an entity's auditor.

MOUNTAIN VALLEY MD HOLDINGS INC.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	December 31, 2020	March 31, 2020 (audited)
TOTAL ASSETS			
CURRENT			
Cash		\$ 5,862,635	\$ 1,741,563
GST/HST recoverable		240,601	123,992
Prepaid expenses and deposits		105,503	290,239
Note receivable		105,794	102,027
Right to use asset, current portion		39,840	7,208
Due from shareholder		-	98,492
		<u>6,354,373</u>	<u>2,363,521</u>
NON-CURRENT			
Right to use asset		56,440	-
Intellectual property	3	5,018,705	4,993,323
Licences		355,758	300,000
Equity investments	4	2,976,933	2,870,224
Investment in associates		280,001	280,001
Property and equipment	5	226,118	1,426,815
		<u>8,913,955</u>	<u>9,870,363</u>
		<u>\$ 15,268,328</u>	<u>\$ 12,233,884</u>
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY			
CURRENT			
Accounts payable and accrued liabilities		\$ 373,518	\$ 611,865
Lease liability, current portion		40,621	6,563
Mortgage payable	6	-	320,000
		<u>414,139</u>	<u>938,428</u>
NON-CURRENT			
Lease liability		57,789	-
Share redemption liability	4	2,518,600	2,518,600
Convertible note	7	-	226,672
		<u>2,990,528</u>	<u>3,683,700</u>
SHAREHOLDER'S EQUITY			
Share capital	7	32,466,470	25,962,332
Subscriptions received		81,910	-
Contributed surplus	7	378,485	442,010
Warrants	7	1,931,112	1,887,488
Deficit		<u>(22,580,177)</u>	<u>(19,741,646)</u>
		<u>12,277,800</u>	<u>8,550,184</u>
		<u>\$ 15,268,328</u>	<u>\$ 12,233,884</u>

COMMITMENTS AND CONTINGENT LIABILITIES (Note 12)
SUBSEQUENT EVENTS (Note 13)

Approved on behalf of the Board:

/s/ "Dennis Hancock"

/s/ "Kevin Puloski"

MOUNTAIN VALLEY MD HOLDINGS INC.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Three month period ended December 31,		Nine month period ended December 31,	
Note	2020	2019	2020	2019
EXPENSES				
Amortization of intangible assets	\$ 85,113	\$ -	\$ 251,834	\$ -
Depreciation of tangible and right-of use assets	17,371	-	53,459	-
General and administrative	431,115	873,862	1,474,218	1,719,751
Stock based compensation	7 28,118	-	56,401	-
NET LOSS BEFORE OTHER ITEMS	561,717	873,862	1,835,912	1,719,751
OTHER (INCOME) EXPENSE				
Accretion and interest on convertible debt	-	-	20,183	-
Interest earned on convertible note	(1,260)	-	(3,767)	(18,151)
Investment income and other	-	(916)	(4,495)	(5,873)
Loss from equity accounted associate	-	-	265,265	-
Mortgage interest paid	-	9,806	-	21,506
Unrealized loss (gain) on equity investment	176,624	-	253,290	-
Unrealized loss on foreign exchange	17,540	-	16,948	41,855
	192,904	8,890	547,424	39,337
NET LOSS BEFORE OTHER ITEM	754,621	882,752	2,383,336	1,759,088
OTHER ITEM				
Loss from sale of assets	6 455,195	-	455,195	-
NET LOSS FOR THE PERIOD	\$ 1,209,816	\$ -	\$ 2,838,531	\$ -
BASIC AND DILUTED LOSS PER SHARE				
Weighted average number of shares outstanding	252,831,065	205,782,836	252,151,427	204,568,933

MOUNTAIN VALLEY MD HOLDINGS INC.

Condensed Interim Consolidated Statements of Changes in Equity (Expressed in Canadian Dollars)

	Class A Number of shares	Class A Share capital \$	Class B Number of shares	Class B Share capital \$	Common shares Number of shares	Common shares Share capital \$	Subscriptions received \$	Contributed surplus \$	Warrants \$	Deficit \$	Total \$
Balance at March 31, 2019	70,625,200	737,501	112,217,807	11,113,477	-	-	-	-	-	(897,032)	10,953,946
Shares issued for investment	-	-	25,750,000	5,150,000	-	-	-	-	-	-	5,150,000
Shares issued for services	-	-	1,960,500	392,100	-	-	-	-	-	-	392,100
Shares issued for private placement	-	-	3,977,500	1,295,467	-	-	-	-	-	-	1,295,467
Net loss for the period	-	-	-	-	-	-	-	-	-	(1,759,088)	(1,759,088)
Balance at December 31, 2019	70,625,200	737,501	143,905,807	17,951,044	-	-	-	-	-	(2,656,120)	16,032,425
Balance at March 31, 2020	-	-	-	-	243,691,267	25,962,332	-	442,010	1,887,488	(19,741,646)	8,550,184
Shares issued for debt	-	-	-	-	8,357,185	432,612	-	-	-	-	432,612
Exercise of stock options	-	-	-	-	2,100,000	107,000	-	-	-	-	107,000
Issuance of stock options	-	-	-	-	-	-	-	56,401	-	-	56,401
Conversion of convertible note	-	-	-	-	875,000	350,000	-	(119,926)	-	-	230,074
Shares issued for finder's fees	-	-	-	-	250,000	41,250	-	-	-	-	41,250
Shares for services	-	-	-	-	912,500	73,000	-	-	-	-	73,000
Shares issued for private placement	-	-	-	-	19,650,908	4,323,200	-	-	-	-	4,323,200
Shares issued as finders fees for private placement	-	-	-	-	1,107,436	243,636	-	-	-	-	243,636
Share issue costs	-	-	-	-	-	(298,060)	-	-	43,624	-	(254,436)
Exercise of warrants	-	-	-	-	3,518,570	1,231,500	81,910	-	-	-	1,313,410
Net loss for the period	-	-	-	-	-	-	-	-	-	(2,838,531)	(2,838,531)
Balance at December 31, 2020	-	-	-	-	280,462,866	32,466,470	81,910	378,485	1,931,112	(22,580,177)	12,277,800

MOUNTAIN VALLEY MD HOLDINGS INC.
Notes to the Condensed Interim Consolidated Financial Statements
For the nine months ended December 31, 2020 and 2019
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS

Mountain Valley MD Holdings Inc. (“the Company”), was incorporated under the provisions of the British Columbia Business Corporations Act on March 8, 2005. The Company is building a world-class health and wellness organization centred around the implementation of its patented Quicksome™ oral drug formulation and delivery technologies to innovate industry leading products that are sought out globally.

The Company’s common shares trade on the Canadian Securities Exchange under the new ticker symbol “MVMD.” The Company’s OTC symbol is MV MDF.

The address of the Company’s registered and records office is 610 – 475 West Georgia Street, Vancouver, BC V6B 4M9 and the principal place of business and head office is 260 Edgeley Boulevard, Unit 4, Vaughan, Ontario, Canada, L4K 3Y4.

COVID-19

The outbreak of the novel strain of coronavirus (“COVID-19”) has resulted in governments enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused an economic slowdown and material disruption to business. Government has reacted with interventions intended to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial performance and financial position of the Company in future periods.

2. BASIS OF PRESENTATION

a) Statement of compliance

These unaudited interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, have been omitted or condensed. These unaudited interim consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended March 31, 2020.

The Company’s board of directors approved the release of these interim consolidated condensed financial statements on March 1, 2021.

b) Basis of measurement

Depending on the applicable IFRS requirements, the measurement basis used in the preparation of these consolidated financial statements is historical cost or fair value. These consolidated financial statements, except for the statement of cash flows, are based on the accrual basis. These consolidated financial statements are presented in Canadian dollars, which is also the Company’s functional currency.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in section c).

MOUNTAIN VALLEY MD HOLDINGS INC.
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... **Note 2. BASIS OF PRESENTATION (Continued)**

- c) Use of estimates and judgments

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.

3. INTELLECTUAL PROPERTY

On December 20, 2019, Mountain Valley MD Inc. entered into an intellectual property asset purchase agreement with a private Delaware corporation, in the business of developing, manufacturing and licensing desiccated liposomes. The Company acquired a portfolio of patents, patent applications, and trademarks. Management determined all the value is attributable to the patents.

The Company's intellectual property consists of the following:

	\$	
Allocated purchase price		
Shares issued	3,600,000	a)
Finders fees: shares issued	864,000	b)
Cash paid	575,344	
Total purchase consideration	5,039,344	
Identified intangible assets		
Patents	5,039,344	
Amortization for the year	(46,021)	c)
Carrying value at March 31, 2020	4,993,323	
Legal fees to obtain patents, and development costs	277,216	
Amortization for the period	(251,834)	d)
Carrying value at December 31, 2020	5,018,705	

MOUNTAIN VALLEY MD HOLDINGS INC.
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.... **Note 3. INTELLECTUAL PROPERTY (Continued)**

- a) The Company issued 10,000,000 Class B common shares at a fair value of \$0.36. Fair value of the Class B common shares provided as consideration was based on Level 2 inputs under IFRS 13 fair value hierarchy and is based on the fair value of the Class B common shares issued in the most recent private placement.
- b) 2,400,000 Class B common shares were issued as finders fee with a fair value of \$0.36, in conjunction with this transaction. Fair value of the Class B common shares provided as consideration was based on Level 2 inputs under IFRS 13 fair value hierarchy and is based on the fair value of the Class B common shares issued in the most recent private placement.
- c) The Company recorded \$46,021 of depreciation during the year (2019: \$Nil) based on the estimated useful life of the portfolio of patents.
- d) The Company recorded \$251,834 of depreciation during the nine-month period ended (2019: \$Nil) based on the estimated useful life of the portfolio of patents.

The Class B common shares were exchanged for common shares of the Company pursuant to the completion of the Company's reverse takeover during the year ended March 31, 2020.

4. EQUITY INVESTMENTS

The following summarizes the Company's investments at December 31:

	2020	2019
	\$	\$
Sixth Wave Innovations Inc.	98,333	-
Palisade Goldcorp Ltd.	1,118,600	-
1234721 B.C. Ltd	1,400,000	-
Circadian Wellness Corp.	360,000	-
	2,976,933	-

On October 1, 2019, Mountain Valley MD Inc. subscribed for 333,333 ordinary shares of Sixth Wave Innovations Inc. (CSE: SIXW) by way of private placement for a subscription price of \$250,000.

On May 9, 2019, Mountain Valley MD Inc. subscribed for 700,000 ordinary shares for a subscription price of \$184,958 (£105,000), with a company in the United Kingdom, Winchester MD, that is an established, fully integrated European-based medical cannabis company. The Company has reviewed the valuation of this equity investment in light of relevant information available and determined that the valuation as at December 31, 2020 has changed from the initial subscription price and is now \$nil.

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.... **Note 4. EQUITY INVESTMENTS (Continued)**

In January 2020, Casino Gold Corp completed a plan of arrangement in which the Company was split into two private companies, and the Company now owns the following equity investments:

- 2,000,000 common shares of 1234721 B.C. Ltd.
- 799,000 common shares of Palisade Goldcorp Ltd.

As at March 31, 2020, management re-valued the investments based on Level 2 inputs under the IFRS 13 fair value hierarchy and consists of observable transaction prices using valuation on the private companies' recent private placement raise, and the fair value of the equity investment was increased by \$119,850 to \$2,518,600. As at December 31, 2020, management has determined the value has not changed.

Prior to the amalgamation shareholders of MBGC received one Class B share of MBGC for every common share of MBGC held. The Company is required to redeem all of the outstanding Class B shares of MBGC for an amount equal to any distribution by Casino Gold to its shareholders received by the Company, proceeds from the disposal of any or all of the Casino Gold shares along with the remainder of the Casino Gold shares not disposed of by the Company or if the Company decides to distribute the Casino Gold shares. As a result, the MBGC 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 Gold shares.

5. PROPERTY AND EQUIPMENT

	Land	Building	Equipment	Leasehold Improvements	Total
	\$	\$	\$	\$	\$
Cost					
At March 31, 2020	814,000	635,855	-	-	1,449,855
Additions	-	-	168,431	80,747	249,178
Disposals	(814,000)	(635,855)	-	-	(1,449,855)
At December 31, 2020	\$ -	\$ -	\$ 168,431	\$ 80,747	\$ 249,178
Accumulated amortization					
At March 31, 2020	-	23,040	-	-	23,040
Depreciation expense	-	11,520	23,060	-	34,580
Disposals	-	(34,560)	-	-	(34,560)
At December 31, 2020	-	-	23,060	-	23,060
Carrying amounts:					
At March 31, 2020	814,000	612,815	-	-	1,426,815
At December 31, 2020	-	-	145,371	80,747	226,118

Land and building consisted of a 33-acre property located in Qualicum Beach, British Columbia. See Note 6.

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6. SALE OF ASSETS

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 the Company's subsidiaries (Mountain Valley Medicinals Inc. "MVM", and 0987182 BC Ltd.) and their respective assets, including the property in British Columbia (Note 5), for a purchase price of \$1,000,000. Pursuant to the terms of the SPA, subject to certain conditions, the Company 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, the issuance of 3,111,111 common shares of CW at \$0.09 per share (representing an approximate 9.17% equity interest in CW), and the assumption of the mortgage on the property (\$320,000). As a result of acquiring the CW shares, the Company agreed to become a party to the unanimous shareholder agreement of CW.

The Company recorded a loss of \$455,195 on the sale of these non-core business assets.

A component of an entity comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity. A component of an entity will have been a cash-generating unit or a group of cash-generating units while being held for use. The sale of the assets to CW did not meet the criteria of a business component.

7. SHARE CAPITAL

a) Share Capital

Authorized

The Company has authorized share capital of:

- Unlimited Common Shares without par value.
- Unlimited Class B non-voting shares

Issued and outstanding

The Company has issued share capital of 280,462,866 Common Shares.

Share issuance from April 1, 2019 to December 31, 2019

On April 11, 2019, the Company paid \$2,000,000 cash and issued 11,000,000 Class B common shares at \$0.165 pursuant to a share purchase agreement). Fair value of the Class B common shares provided as consideration was based on Level 2 inputs under IFRS 13 fair value hierarchy and is based on the fair value of the Class B common shares issued in the most recent private placement.

On June 5, 2019, the Company completed a fourth tranche of a private placement offering of \$0.20 per unit. Each unit consisting of one Class "B" common share and one half of one share purchase warrant, each warrant exercisable at \$0.35 per Class B common share for 2 years from the issuance date, subject to acceleration provisions. The Company issued 3,977,500 Class B common shares and 3,977,500 Class B common share purchase warrants for gross proceeds of \$785,500. The Company also settled shares for debt by issuance of 325,000 Class B common shares and 325,000 Class B common share purchase warrants. The fair value of the warrants issued in the unit offering was determined to be \$0.035 based on Level 2 inputs under IFRS 13 fair value hierarchy using a barrier option pricing model. Inputs into the model included: (a) strike price of \$0.35; (b) expected term of 2 years; (c) risk free rate of 1.89%; (d) volatility of 100%; (e) barrier price of \$0.50; and (f) rebate of \$0.15. The class B common shares were ascribed a value of \$0.165.

MOUNTAIN VALLEY MD HOLDINGS INC.
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.... **Note 7. SHARE CAPITAL (Continued)**

On June 10, 2019, the Company entered into share purchase agreements with US Privco and acquired an additional 1,333,334 common shares of US Privco, representing a second 10% of the issued and outstanding shares of US Privco, by the issuance of 5,000,000 Class B common shares at \$0.165, on June 14, 2019 (Note 6). Fair value of the Class B common shares provided as consideration was based on Level 2 inputs under IFRS 13 fair value hierarchy and is based on the fair value of the Class B common shares issued in the most recent private placement.

On July 3, 2019, the Company issued 773,000 Class B common shares at \$0.20 pursuant to shares-for-services agreements for a value of \$154,600.

On September 27, 2019, the Company issued 87,500 Class B common shares at \$0.20 per share to various individuals for accounts payable.

On September 27, 2019, the Company issued 775,000 Class B common shares pursuant to shares-for-services agreements.

From July to December 31, 2019, the Company received subscriptions totalling \$509,967 relating to an offering of units at \$0.40 per unit, each unit consisting of one Class "B" common share and one half of one share purchase warrant, each warrant exercisable at \$0.60 per Class B common share for 2 years from the issuance date, subject to acceleration provisions.

Share issuance from April 1, 2020 to December 31, 2020

On May 1, 2020, the Company issued 912,500 common shares to settle accounts payable in the amount of \$48,000 and \$25,000 related to general consulting services.

On May 7, 2020, the Company issued 1,740,000 common shares at a fair value share price of \$0.05 and made cash payments totaling \$74,095 to the former CFO and CEO of Meadow Bay Gold Corporation regarding a termination fee. As at March 31, 2020, the Company accrued these fees in accounts payable.

On May 28, 2020, the Company issued 1,500,000 shares in regard to the exercise of stock options at \$0.05. The Company received \$75,000 in gross proceeds.

On July 17, 2020, the Company issued 875,000 common shares with the conversion of the outstanding convertible debenture.

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.

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.

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.

On August 10, 2020, the Company issued 250,000 shares at \$0.165 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.

MOUNTAIN VALLEY MD HOLDINGS INC.
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... **Note 7. SHARE CAPITAL (Continued)**

On December 14, 2020, the Company entered into a debt settlement agreement and issued 6,617,185 units at \$0.071 per share to various individuals for accounts payable to settle indebtedness of \$469,820. Each unit consisting of one common share and one half of one share purchase warrant, each warrant is exercisable at \$0.13 for 2 years from the issuance date. The fair value of the warrants issued was determined to be \$Nil using the residual value approach.

On December 22, 2020, the Company completed a non-brokered private placement offering at \$0.22 per unit for gross proceeds of \$4,323,200 issuing 19,650,908 units. Each unit consisting of one common share and one half of one share purchase warrant, each warrant exercisable at \$0.45 for 2 years from the issuance date. The fair value of the warrants issued was determined to be \$Nil using the residual value approach.

In conjunction with the offering, the Company paid finders fees by issuance of 1,106,945 units at \$0.22 per unit. Each unit consisting of one common share and one half of one share purchase warrant, each warrant exercisable at \$0.45 for 2 years from the issuance date. The Company also paid cash of \$10,800. The fair value of the warrants issued was determined to be \$43,622 and estimated on the date of issue using the Black-Scholes option valuation model with the following weighted average assumptions: dividend yield of \$nil, risk free interest rate of 0.53%, expected life of 2 years and expected volatility based on the historical volatility of similar companies of 90%.

b) **Stock Options**

In January 2019, pursuant to its stock option plan, the Company granted 8,288,500 stock options to officers, directors and consultants of the Company to purchase up to 8,288,500 Class A common shares at an exercise price of \$0.05. The options vest and become exercisable as at the date upon which the Company becomes listed for trading on any nationally recognized stock exchange in Canada. The options expire five years following the vesting date. The Company recognized \$290,351 in stock-based compensation expense in relation to this grant as at March 31, 2020.

On March 13, 2020, the Company granted 4,800,000 stock options to officers, directors and consultants of the Company to purchase 4,800,000 common shares of the Company at an exercise price of \$0.07. The options vest in stages over a period of two years. The options expire five years following the vesting date. The Company recognized \$31,733 in stock-based compensation expense in relation to this grant as at March 31, 2020.

On May 4, 2020, the Company granted 250,000 stock options at \$0.075 to an officer of the Company. 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. The Company recognized \$7,761 in stock-based compensation expense in relation to this grant as at December 31, 2020.

On August 31, 2020, the Company granted 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. The Company recognized \$16,642 in stock-based compensation expense in relation to this grant as at December 31, 2020.

On December 1, 2020, the Company granted 235,000 stock options at \$0.22 to consultants. 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. The Company recognized \$3,378 in stock-based compensation expense in relation to this grant as at December 31, 2020.

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.... **Note 7. SHARE CAPITAL (Continued)**

On December 14, 2020, the Company granted 1,000,000 stock options at \$0.29 to consultants. 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. The Company recognized \$43,875 in stock-based compensation expense in relation to this grant as at December 31, 2020

The table below summarizes assumptions used by the Company in calculating the value of stock options based on the Black-Scholes Model:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Share price	\$0.15	\$0.05
Expected dividend yield	\$nil	\$nil
Volatility	90%	90%
Expected life (years)	5	5
Forfeiture rate	10%	0%
Risk-free rate	0.53%	1.89%

Volatility was estimated using the average comparable companies in the industry that have trading history and volatility history.

The continuity of the Company's stock options is as follows:

	Outstanding Options	Weighted Average Exercise Price
		\$
Balance at December 31, 2019	8,288,500	0.05
Balance at March 31, 2020	13,499,438	0.11
Issued	1,585,000	0.120
Forfeited	(400,000)	0.070
Expired	(410,938)	2.02
Exercised	(2,100,000)	0.05
Balance at December 31, 2020	12,173,500	0.06

The following table summarizes the stock options outstanding at December 31, 2020:

Expiry Date	Number	Weighted Average Exercise Price	Options exercisable
May 3, 2025	6,288,500	0.05	6,288,500
March 13, 2025	4,300,000	0.07	2,150,000
May 1, 2025	250,000	0.075	125,000
August 20, 2025	100,000	0.22	20,000
December 14, 2025	1,000,000	0.29	200,000
December 21, 2025	235,000	0.095	47,000
	12,173,500	0.06	8,438,500

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.... **Note 7. SHARE CAPITAL (Continued)**

c) Warrants

The continuity of the Company's share purchase warrants is as follows:

	Outstanding Warrants	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price
			\$
March 31, 2019	45,601,659	1.39	0.35
Issued	4,302,500	0.16	0.35
December 31, 2019	49,904,159	1.55	0.35
March 31, 2020	51,877,371	0.97	0.38
Issued	13,687,763	1.99	0.28
Exercised	(3,518,570)	-	0.35
December 31, 2020	62,046,564	0.78	0.37

The following table summarizes the share purchase warrants outstanding at December 31, 2020:

Expiry Date	Number	Weighted Average Exercise Price
February 21, 2021	34,920,340	0.35
March 4, 2021	179,202	1.92
April 28, 2021	127,396	2.24
July 25, 2021	185,933	2.24
Dec 16, 2021	128,534	1.92
March 8, 2021	4,114,537	0.35
March 18, 2021	3,048,212	0.35
June 5, 2021	4,302,500	0.35
January 4, 2022	1,308,397	0.60
July 11, 2023	43,750	0.48
December 18, 2022	3,308,593	0.13
December 21, 2022	10,379,170	0.45
	62,046,564	0.38

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8. 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 December 31, 2020 and 2019:

Period ended December 31,	2020	2019
	\$	\$
Short-term benefits	337,500	444,893
Business development	-	59,200
	337,500	504,093

Included in accounts payable and accrued liabilities as at December 31, 2020, was \$Nil (2019: \$230,000) owing to related parties. The payment terms are similar to the payment terms of non-related party trade payables.

9. 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 period.

As at December 31, 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 December 31, 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.

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... **Note 9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)**

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its 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 December 31, 2020, the Company had cash of \$5,862,635 to meet current financial liabilities of \$414,139.

As at December 31, 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	373,518	-	-
Lease liability	40,621	57,789	-
Total	414,139	57,789	-

As at December 31, 2019, the Company liabilities of \$1,018,116 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 \$279,355 gain or loss from equity investments.

10. SEGMENT INFORMATION

All of the Company's fixed assets are located in Canada. The Company has investments in associates and licenses that are located in Colombia.

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11. CAPITAL MANAGEMENT

The Company manages its cash, common shares, warrants and share purchase options as capital. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets or adjust the amount of cash held.

In order to maximize ongoing operating efforts, the Company does not pay out dividends. The Company expects its current capital resources will be sufficient to carry out its planned operations in the near term.

12. COMMITMENTS AND CONTINGENT LIABILITIES

- a) On December 20, 2019, the Company entered into a consulting agreement for \$15,000 per month with an individual for scientific, technical research and development services in relation to the Company's portfolio of health and wellness products.
- b) On March 4, 2020, the Company signed a three (3) year lease agreement for office premises in Vaughan, Ontario. The rental term began June 1, 2020 and payments consist of \$3,611 per month in year one (1) increasing to \$3,750 per month in year three (3).

The Company paid a deposit of \$19,057 in relation to the lease agreement.

- c) On March 16, 2020, the Company entered into a consulting agreement for \$10,000 per month with an individual who will provide product development services for a duration of twelve (12) months.
- d) On May 1, 2020, the Company signed a consulting agreement with an officer of the Company for monthly services. The Company will pay the consultant \$7,500 per month for a period of twenty-four (24) months.
- e) On May 1, 2020, the Company signed a consulting agreement with an officer of the Company for monthly services. The Company will pay the consultant \$20,000 per month for a period of thirty-six (36) months deemed to be incurring as at February 1, 2020.
- f) On December 10, 2020, the Company signed a one (1) year advertising agreement for \$75,000. The amount will be paid evenly over the course of the year in common shares.

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13. SUBSEQUENT EVENTS

- a) Subsequent to the period end, pursuant to exercising of warrants, the Company issued 41,626,520 common shares for gross proceeds of approximately \$14,700,000.
- b) On January 26, 2021, the Company entered into an agreement to conduct its Bio Safety Level 4 lab study of COVID19 viral clearance in transgenic mice designed to prove the superiority of the Company's solubilized Ivermectin technology versus commercially available oral form in speed and efficacy of viral clearance.
- c) On February 16, 2021, the Company granted 2,625,000 stock options to officers, directors and consultants of the Company at an exercise price of \$2.04. The options vest in stages over a period of one year and expire in five years.
- d) On February 25, 2021, the Company entered into a commercial license agreement with a privately held Ontario corporation. The license agreement is based on applying MVMD's Quicksome™ technology to mushroom nutraceutical products in consideration of ongoing product royalties and an initial payment in the amount of \$250,000, made up of \$200,000 cash and \$50,000 of equity shares of the privately held corporation.