



BIOME GROW INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019

(UNAUDITED)

(Expressed in Canadian Dollars)

Notice of Disclosure of Non-auditor Review of the Condensed Interim Consolidated Financial Statements for the three and nine months ended September 30, 2020.

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

The accompanying unaudited condensed interim consolidated financial statements of Biome Grow Inc. for the interim period ended September 30, 2020, have been prepared in accordance with the International Accounting Standard 34 – *Interim Financial Reporting* as issued by the International Accounting Standards Board and are the responsibility of the Company's management.

The Company's independent auditors, Manning Elliott LLP, have not performed a review of these interim financial statements.

BIOME GROW INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars) - Unaudited

	Note	September 30 2020	December 31 2019
ASSETS			
Current assets			
Cash		\$ 147,895	\$ 1,564,805
Restricted cash	13(d)	487,410	500,000
Amounts receivable	5	494,659	1,365,864
Prepaid expenses and deposits	6	900	181,548
Biological assets	7	-	168,258
Inventory	8	-	2,278,686
Investments	9	8,680,751	-
Total current assets		9,811,615	6,059,161
Deferred tax asset	13(d)	-	265,000
Property, plant, and equipment	10	-	3,273,061
Goodwill	11	-	4,374,313
TOTAL ASSETS		\$ 9,811,615	\$ 13,971,535
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	12, 13(a)	\$ 4,464,127	\$ 3,875,695
Loans payable	13(c)	1,250,000	1,250,000
Total current liabilities		5,714,127	5,125,695
Loans payable	13(a)	2,592,704	1,926,571
Total liabilities		8,306,831	7,052,266
SHAREHOLDERS' EQUITY			
Share capital	15(c)	23,183,498	23,110,095
Shares issuable	15(d)	250,000	515,000
Reserves		2,475,790	2,464,531
Deficit		(24,404,504)	(19,170,357)
Total equity		1,504,784	6,919,269
TOTAL LIABILITIES AND EQUITY		\$ 9,811,615	\$ 13,971,535

Nature of operations and going concern (note 1)

These condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors on November 27, 2020. They are signed on the Company's behalf by:

"Steven Poirier"
Director

"Mark Lievonen"
Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

BIOME GROW INC.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Expressed in Canadian dollars, except number of shares) - Unaudited

		Three months ended September 30,		Nine months ended September 30,	
	Note	2020	2019	2020	2019
Operating expenses					
Accretion expense	13(d)	\$ 573,088	\$ -	\$ 1,081,992	\$ -
Advertising and promotion		5,468	144,056	7,643	710,590
Bad debt expense	5	130,418	-	230,418	-
Consulting	12,19	1,372,709	123,953	1,607,555	310,914
Depreciation	10	-	48,123	-	56,388
Insurance		48,086	45,250	146,059	127,363
Office and miscellaneous		2,043	116,320	39,314	262,499
Professional fees		152,985	349,711	364,780	486,417
Salaries and wages	12	1,026,799	1,337,827	1,402,758	1,929,501
Stock-based compensation	15	11,259	-	11,259	-
Transfer agent fees		8,922	9,670	28,283	15,232
Travel		1,062	660	19,151	32,169
Utilities		-	2,827	-	7,089
Net loss before other items		\$ (3,332,839)	\$ (2,178,397)	\$ (4,939,212)	\$ (3,938,162)
Other items					
Gain on settlement of debt	12	\$ (231,000)	\$ -	\$ (231,000)	\$ -
Interest expense	13	170,190	-	349,175	-
Other income	16	(9,132)	-	(331,420)	-
Unrealized loss on investments	9	1,736,150	-	1,736,150	-
Net loss before income taxes		(4,999,047)	(2,178,397)	(6,462,117)	(3,938,162)
Deferred income tax expense	13(c)	176,667	-	265,000	-
Net loss from continuing operations		\$ (5,175,714)	\$ (2,178,397)	\$ (6,727,117)	\$ (3,938,162)
Income from discontinued operations for the period, net of tax	4	2,267,804	699,245	1,492,970	1,046,123
Net loss and comprehensive loss for the period		\$ (2,907,910)	\$ (1,479,152)	\$ (5,234,147)	\$ (2,892,039)
Net loss per share					
Continuing operations		\$ (0.05)	\$ (0.02)	\$ (0.06)	\$ (0.04)
Discontinued operations		\$ 0.02	\$ 0.01	\$ 0.01	\$ 0.01
		\$ (0.03)	\$ (0.01)	\$ (0.05)	\$ (0.03)
Weighted average number of common shares outstanding		111,941,961	110,566,156	111,714,752	110,412,088

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

BIOME GROW INC.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(Expressed in Canadian dollars, except number of shares) - Unaudited

	Common Shares		Special Class C Shares	Shares Issuable	Reserves	Deficit	Total
	Number of Shares	Amount					
Balance, December 31, 2018	110,128,609	\$ 20,366,283	\$ 2,336,000	\$ 515,000	\$ 1,485,056	\$ (9,689,529)	\$ 15,012,810
Warrant exercised	407,920	83,751	-	-	-	-	83,751
Issuance of shares to employees	183,316	95,265	-	-	-	-	95,265
Net loss for the period from continuing operations	-	-	-	-	-	(2,892,039)	(2,892,039)
Net income for the period from discontinued operations, net of tax	-	-	-	-	-	1,046,123	1,046,123
Balance, September 30, 2019	110,719,845	\$ 20,545,299	\$ 2,336,000	\$ 515,000	\$ 1,485,056	\$ (12,581,568)	\$ 12,299,788
Balance, December 31, 2019	111,599,899	\$ 20,774,095	\$ 2,336,000	\$ 515,000	\$ 2,464,531	\$ (19,170,357)	\$ 6,919,269
Cancellation of shares issuable	-	-	-	(265,000)	-	-	(265,000)
Issuance of shares for debt	817,536	73,403	-	-	-	-	73,403
Stock-based compensation	-	-	-	-	11,259	-	11,259
Net loss for the period from continuing operations	-	-	-	-	-	(6,727,117)	(6,727,117)
Net income for the period from discontinued operations, net of tax	-	-	-	-	-	1,492,970	1,492,970
Balance, September 30, 2020	112,417,435	\$ 20,847,498	\$ 2,336,000	\$ 250,000	\$ 2,475,790	\$ (24,404,504)	\$ 1,504,784

The accompanying notes are an integral part of these condensed interim consolidated financial statements

BIOME GROW INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars) - Unaudited

	Note	Nine months ended September 30, 2020	Nine months ended September 30, 2019
Operating activities			
Net loss from continuing operations for the period		\$ (6,727,117)	\$ (3,938,162)
Adjustments for non-cash items:			
Accretion		1,081,992	-
Bad debt expense		(230,418)	-
Consulting		(250,000)	-
Deferred income tax expense		265,000	-
Interest expense		130,122	-
Salaries and wages		(15,000)	-
Shares issued for services		-	95,265
Stock-based compensation		11,259	-
Unrealized loss on investments		1,736,150	-
Changes in non-cash working capital items:			
Amounts receivable		(217,090)	(277,979)
Accounts payable and accrued liabilities		2,558,814	1,796,903
Prepaid expenses and deposits		(10,584)	(169,007)
Cash provided by (used in) continuing operating activities		1,666,872	(2,492,980)
Net cash provided by discontinued operating activities	4	2,816,511	906,321
Investing activities of continuing operation			
Proceeds on sale of investments		105,000	-
Cash provided by investing activities of continuing operations		105,000	-
Net cash used in investing activities of discontinued operations	4	(553,479)	(1,485,003)
Financing activities of continuing operations			
Advances from term loan		1,000,000	-
Advances from short-term loan		400,000	1,250,000
Debt issuance costs		(80,000)	-
Interest paid on loan payable		(50,660)	-
Repayment of loan payable		(3,000,000)	-
Repayment of short-term loan		(400,000)	-
Shares issued pursuant to exercise of warrants		-	83,751
Cash (used in) provided by financing activities of continuing operations	4	(2,130,660)	1,353,751
Change in cash, continuing operations		(3,692,532)	(1,159,229)
Change in cash, discontinued operations	4	2,263,032	(578,682)
Cash, beginning of the period		2,064,805	1,859,505
Cash and restricted cash, end of the period		\$ 635,305	\$ 121,595
Cash, of the of the period, being			
Cash		\$ 147,895	\$ 121,595
Restricted cash		487,410	-
Cash and restricted cash, end of the period		\$ 635,305	\$ 121,595

Supplemental cash flow disclosures (note 20)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

BIOME GROW INC.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2020 and 2019

(Expressed in Canadian dollars, unless otherwise noted) – Unaudited

1. NATURE OF OPERATIONS AND GOING CONCERN

Biome Grow Inc. (the “Company”) was incorporated under the *Business Corporations Act* of British Columbia on December 31, 2013. The head office and principal business location of the Company is 1401-480 University Avenue, Toronto, Ontario.

On October 3, 2018, the Company acquired Cultivator Catalyst Corp. (“CCC”) through a reverse acquisition. CCC was incorporated on November 22, 2016, under the laws of the Province of Ontario.

The Company’s principal business activity is pursuing opportunities in the cannabis industry. On May 19, 2017, the Company acquired 100% interest in Highland Grow Inc. (“HGI”). On August 4, 2020, the Company completed the sale of HGI (note 4).

These unaudited condensed interim consolidated financial statements (“interim financial statements”) have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to a going concern, which contemplates the realization of assets and the discharge of liabilities in the normal course of business. The Company has incurred losses since its inception and has an accumulated deficit of \$24,404,504 as at September 30, 2020. There is a material uncertainty related to these conditions that casts significant doubt about the Company’s ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company’s ability to continue as a going concern depends upon its ability to raise adequate financing and to generate profitable operations in the future.

In March 2020, the World Health Organization declared the coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The impact on the Company is not currently determinable but management continues to monitor the situation.

2. BASIS OF PRESENTATION

a) Statement of compliance

These unaudited interim financial statements have been prepared in accordance with International Accounting Standard 34 - *Interim Financial Reporting* using accounting policies consistent with IFRS as issued by the IASB and interpretations issued by the International Financial Reporting Interpretations Committee. As such, these interim financial statements do not contain all the disclosures required by IFRS for annual financial statements and should be read in conjunction with the Company’s audited annual consolidated financial statements for the years ended December 31, 2019 and 2018 (“annual financial statements”).

b) Reclassification of Prior Year Amounts

The Company has reclassified certain items on the comparative condensed interim consolidated statements of loss and comprehensive loss on the face statements to conform with current period presentation.

c) Basis of consolidation

These interim financial statements include the accounts of the Company and the following Canadian subsidiaries:

Subsidiaries	Percentage ownership September 30, 2020	Percentage ownership December 31, 2019
Cultivator Catalyst Corp.	100%	100%
Great Lakes Cannabis Company Inc.	100%	100%
Highland Grow Inc.	0%	100%
Red Sands Craft Cannabis Company Inc.	100%	100%
The Back Home Medical Cannabis Corporation	100%	100%
Weed Virtual Retail Inc.	100%	100%

BIOME GROW INC.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2020 and 2019

(Expressed in Canadian dollars, unless otherwise noted) – Unaudited

2. BASIS OF PRESENTATION (continued)

Subsidiaries are entities that the Company controls directly. Control is defined as the exposure, or rights, or variable returns from involvement with an investee and the ability to affect those returns through power over the investee. Power over an investee exists when the Company has existing rights and the ability to direct the activities that significantly affect the investee's returns. This control is generally evidenced through owning more than 50% of the voting rights or currently exercisable potential voting rights of a company's share capital. All inter-company balances and transactions, including unrealized profits and losses arising from intra-group transactions, have been eliminated upon consolidation. Where necessary, adjustments are made to the results of the subsidiaries and entities to bring their accounting policies in line with those used by the Company.

As at July 31, 2020 the Company sold its investment in HGI (note 4). As a result, the consolidated financial statements have been prepared with HGI included as discontinued operations.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the preparation of these interim financial statements are consistent with those applied and disclosed in note 3 to the Company's audited annual financial statements with except of the following.

a) Discontinued operations

A discontinued operation is a component of the Company that either has been abandoned, disposed of, or is classified as held for sale, and: (i) represents a separate major line of business or geographical area of operation; (ii) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operation; or (iii) is a subsidiary acquired exclusively with a view to resell. A component of the Company comprises an operation and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Company.

b) Investments

The Company's investments are classified as fair value through profit and loss. Investments held in companies with an active market are classified as current assets at fair value. The original value at the time the Company legally obtains title of the shares is based upon the closing market price of the shares on the date of acquisition. The shares are revalued at each period based upon the closing market price of the shares at the balance sheet date. The change in fair value is recorded as unrealized (gain) loss on investments on the condensed interim consolidated statements of loss and comprehensive loss.

4. DISCONTINUED OPERATIONS

On July 31, 2020, the Company and MYM Nutraceuticals Inc. ("MYM") completed the sale of 100% of its wholly owned subsidiary Highland Grow Inc. ("HGI") to MYM.

The total consideration received by the Company was \$12,021,901 consisting of: (i) \$1.5 million in cash; (ii) 42,813,985 common shares in the capital of MYM (each a "MYM Share") at a deemed per share price of \$0.06, representing 19% of MYM's total issued and outstanding share capital post-closing (the "Consideration Shares"); and (iii) 132,551,040 newly-created non-voting Class A Special Shares of MYM International Brands Inc., which non-voting shares may be exchanged for MYM Shares in accordance with the Class A Special Shares' rights and restrictions; and (iv) MYM's agreement to make the MYM Loan (as described below).

In addition, MYM also loaned the Company an amount equal to \$1,000,000 in cash plus adjustments of \$1,664,141 for outstanding debts previously incurred in Highland (the "MYM Loan") (note 13).

As security for the MYM Loan, 38,461,538 of the Consideration Shares received on closing were held in escrow ("Escrow Shares"). The Escrow Shares are subject to certain vesting conditions and vest in monthly instalments of 2,000,000 shares over 20 months commencing on August 1, 2020.

BIOME GROW INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and nine months ended September 30, 2020 and 2019

(Expressed in Canadian dollars, unless otherwise noted) – Unaudited

4. DISCONTINUED OPERATIONS (continued)

Any proceeds received by the Company from the sale of such Consideration Shares shall be used to repay the Loan until such time as the MYM Loan is discharged in full.

Upon completion of the transaction, Michael Wiener resigned as a director of the Company.

The following table summarizes the gain on sale of the discontinued operation:

Assets sold		
Cash and cash equivalents	\$	235,781
Accounts receivable		1,318,713
Inventory		1,242,073
Biological assets		17,501
Deposits and prepaid expenses		191,232
Note receivable (note 13)		1,664,141
Property, plant, and equipment		3,195,426
Goodwill		4,374,313
		<u>12,239,180</u>
Liabilities transferred		
Accounts payable and accrued liabilities		1,935,311
Lease liability		41,129
		<u>1,976,440</u>
Net assets fair value, as at July 31, 2020		10,262,740
Consideration		
Fair value of 132,551,040 Class A Special Shares (see above)		7,953,062
Fair value of 38,461,538 Escrow Shares		2,307,692
Fair value of 4,352,447 MYM Shares		261,147
Cash		1,500,000
Total consideration		12,021,901
Gain on sale of discontinued operation	\$	1,759,161

BIOME GROW INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and nine months ended September 30, 2020 and 2019

(Expressed in Canadian dollars, unless otherwise noted) – Unaudited

4. DISCONTINUED OPERATIONS (continued)

The discontinued operations include the income (losses) during the period up to the date of disposal and the gain on disposal.

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Revenue	\$ 1,167,193	\$ 1,441,733	\$ 5,563,034	\$ 3,129,326
Cost of sales	548,701	821,023	3,640,276	1,710,151
Gross margin before fair value changes	618,492	620,710	1,922,759	1,419,175
Changes in fair value of inventory sold	(13,727)	-	(39,634)	-
Unrealized (loss) gain on fair value of biological assets	(15,663)	(261,960)	108,377	204,791
	589,102	358,750	1,774,747	1,214,384
Operating expenses				
Advertising and promotion	1,813	43	3,076	2,005
Bad debt expense	-	-	226,000	-
Depreciation	19,870	14,137	136,173	131,854
Insurance	-	4,495	-	4,495
Production and facility costs	-	171,109	-	234,332
Office and miscellaneous	25,268	12,308	257,764	89,370
Professional fees	80	(425)	2,136	22,512
Salaries and wages	11,218	(563,579)	68,545	7,482
Transfer agent fees	-	(7,339)	-	-
Travel	982	7,714	10,443	7,714
Utilities	21,228	21,041	42,625	78,078
	80,459	(340,496)	746,762	343,510
Net income before other items	\$ 508,643	\$ 699,245	\$ 1,027,985	\$ 577,842
Other items				
Write-down of inventory	-	-	(1,294,175)	-
Gain on sale of discontinued operation	\$ 1,759,161	\$ -	\$ 1,759,161	\$ -
Income from discontinued operations for the period	2,267,804	699,245	1,492,970	1,046,123

BIOME GROW INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and nine months ended September 30, 2020 and 2019

(Expressed in Canadian dollars, unless otherwise noted) – Unaudited

4. DISCONTINUED OPERATIONS (continued)

Cash flows related to discontinued operations for the period ended September 30, 2020

	Note	Nine months ended September 30, 2020	Nine months ended September 30, 2019
Operating activities of discontinued operations			
Income (loss) from discontinued operations		1,492,970	\$ 1,046,123
Adjustments for non-cash items:			
Depreciation	10	136,172	188,242
Unrealized gain on fair value of biological assets		-	(261,061)
Changes in non-cash working capital items:			
Biological assets	7	150,757	408,539
Inventory	8	1,036,612	(475,522)
Net cash provided by discontinued operating activities		2,816,511	906,321
Investing activities of discontinued operations			
Gain on sale of HGI, net		(494,941)	-
Purchase of equipment	10	(113,602)	(1,485,003)
Return of equipment	10	55,064	-
Cash used in investing activities of discontinued investing activities		(317,698)	(1,485,003)
Change in cash from discontinued operations		\$ 2,263,032	\$ (578,682)

The gain on the sale of HGI above is presented net of cash proceeds received in the amount of \$1,500,000 and cash sold in the amount of \$235,781.

5. AMOUNTS RECEIVABLE

	September 30, 2020	December 31, 2019
Trade receivables	\$ -	\$ 669,873
GST receivable	494,659	695,991
	\$ 494,659	\$ 1,365,864

GST Receivable includes both GST and HST amounts receivable.

An allowance for doubtful accounts of \$230,418 (year ended December 31, 2019 - \$nil), has been provided against amounts receivable, which the Company has determined represents a reasonable estimate of amounts that may be unrecoverable. The amount is included in bad debt expense on the consolidated statements of loss and comprehensive loss.

BIOME GROW INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and nine months ended September 30, 2020 and 2019

(Expressed in Canadian dollars, unless otherwise noted) – Unaudited

6. PREPAID EXPENSES AND DEPOSITS

	September 30, 2020	December 31, 2019
Prepaid expenses	\$ 900	\$ 56,548
Deposits	-	25,000
Loan	-	100,000
	\$ 900	\$ 181,548

The Company's lease agreements for its premises in Ontario, through its acquisition of Great Lakes, was amended in July 2020 whereby the parties mutually agreed to terminate the lease agreement effective July 1, 2020 without penalty to either party. In consideration for the landlord agreeing to terminate the lease agreement without penalty, the Company agreed to forgive the \$100,000 loan and the repayment of all principal and interest accrued thereunder.

As at September 30, 2020 the company holds \$900 in prepaid insurance.

7. BIOLOGICAL ASSETS

	September 30, 2020	December 31, 2019
Balance, beginning of period	\$ 168,258	\$ 197,163
Production costs capitalized	376,672	925,375
Changes in fair value less costs to sell	(103,351)	153,806
Transferred to inventory upon harvest	(424,078)	(1,108,086)
Sale of HGI (note 4)	(17,501)	-
Balance, end of period	\$ -	\$ 168,258

Biological assets are measured at fair value less costs to sell until harvest. All production costs are capitalized. The carrying value of biological assets consists entirely of live cannabis plants. The fair value measurements for biological assets have been categorized as Level 3. These estimates are subject to volatility in market prices and several uncontrollable factors, which will be reflected in gain or loss on biological assets in future periods.

Increases in cost required up to the point of harvest, harvesting costs and selling costs will decrease the fair value of biological assets, while increases in sales price and expected yield for the cannabis plant will increase the fair value of biological assets.

The fair value was determined using an expected cash flow model which assumes the biological assets will grow to maturity, be harvested and converted into finished goods inventory, and be sold in the retail cannabis market.

The significant assumptions used in determining the fair value of cannabis plants include:

Assumption	September 30, 2020	December 31, 2019
Estimated sales price per gram	Not applicable	\$7.44
Weighted average stage of growth	Not applicable	12 weeks
Duration of the production cycle	Not applicable	16 weeks
Expected yields by plant strain	Not applicable	50 grams
Wastage	Not applicable	1%
Post-harvest cost per gram	Not applicable	\$1.49

As at September 30, 2020, the Company had no plants in production. As at December 31, 2019 it was estimated that the Company's biological assets would yield approximately 37,000 grams of cannabis when harvested.

BIOME GROW INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and nine months ended September 30, 2020 and 2019

(Expressed in Canadian dollars, unless otherwise noted) – Unaudited

8. INVENTORY

	September 30, 2020	December 31, 2019
Balance, beginning of period	\$ 2,278,686	\$ 644,689
Transferred from biological assets	424,078	1,108,086
Inventory purchased	2,587,530	2,840,858
Post-harvest and purchase costs capitalized	706,541	1,368,291
Inventory sold and expensed to cost of sales	(3,672,301)	(3,395,323)
Write-off of non-sellable inventory	(1,095,811)	(133,000)
Changes in value of inventory sold	(13,354)	(154,915)
Sale of HGI (note 4)	(1,242,075)	-
Balance, end of period	\$ -	\$ 2,278,686

9. INVESTMENTS

	Exchangeable Shares	Escrow Shares	MYM Shares	Total
Cost				
January 1, 2020	\$ -	\$ -	\$ -	\$ -
Additions	7,953,062	2,307,692	261,147	10,521,901
Transferred		(240,000)	240,000	-
Proceeds	-	-	(105,000)	(105,000)
September 30, 2020	\$ 7,953,062	\$ 2,067,692	\$ 396,147	\$ 10,416,901
Fair value				
January 1, 2020	\$ -	\$ -	\$ -	\$ -
Additions	7,953,062	2,307,692	261,147	10,521,901
Transferred		(240,000)	240,000	-
Cost of disposals	-	-	(105,000)	(105,000)
Unrealized loss	(1,325,510)	(344,615)	(66,025)	(1,736,150)
September 30, 2020	\$ 6,627,552	\$ 1,723,077	\$ 330,122	\$ 8,680,751

On July 31, 2020, the Company received 42,461,538 MYM Shares and 132,551,040 Exchangeable Shares of MYM as consideration for the sale of HGI (note 4). During the three months ended September 30, 2020 the Company sold 2,050,000 MYM Shares and realized a gain of \$465.

As at September 30, 2020, the company held 40,763,985 MYM Shares and 132,551,040 Exchangeable Shares. The Company recorded an unrealized loss on its revaluation of these shares of \$1,736,150 at September 30, 2020.

BIOME GROW INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and nine months ended September 30, 2020 and 2019

(Expressed in Canadian dollars, unless otherwise noted) – Unaudited

10. PROPERTY, PLANT AND EQUIPMENT

	Computer and software	Construction in progress	Equipment	Land and building	Leasehold improvements	Leased vehicles	Total
Cost							
Balance, December 31, 2018	\$ 32,681	\$ 2,154,218	\$ 304,135	\$ 595,466	\$ 2,681,430	\$ -	\$ 5,767,930
Additions	2,246	1,492,273	83,304	169,767	-	-	1,747,590
Impairment and other	-	(3,646,491)	-	(169,768)	(65,783)	-	(3,882,042)
Balance, December 31, 2019	34,927	-	387,439	595,465	2,615,647	-	3,633,478
Additions	-	-	6,272	-	-	52,266	58,411
Disposals	(34,927)	-	(393,711)	(595,465)	(2,615,647)	(52,266)	(3,691,889)
Balance, September 30, 2020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accumulated depreciation							
Balance, December 31, 2018	\$ 6,364	\$ -	\$ 48,177	\$ -	\$ 120,626	\$ -	\$ 175,167
Depreciation	5,518	-	56,909	-	122,823	-	185,250
Balance, December 31, 2019	11,882	-	105,086	-	243,449	-	360,417
Depreciation	4,104	-	43,142	-	76,132	12,794	136,171
Disposals	(15,986)	-	(148,228)	-	(319,581)	(12,794)	(496,588)
Balance, September 30, 2020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Carrying amount							
Balance, December 31, 2019	\$ 23,045	\$ -	\$ 282,353	\$ 595,465	\$ 2,372,198	\$ -	\$ 3,273,061
Balance, September 30, 2020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

During the nine months ended September 30, 2020, the Company returned equipment to the supplier for full refund of the original purchases price of \$55,064. No gain or loss occurred as a result this return of equipment.

On July 31, 2020 all property, plant and equipment was disposed at net book value pursuant to sale of HGI (note 4).

During the year ended December 31, 2019, the Company recorded impairment of property, plant and equipment totaling \$3,816,259 as it was determined that the recoverable amount was \$nil. The Company also recorded an adjustment to previously capitalized leasehold improvements of \$65,783 to reflect a credit received.

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11. GOODWILL

Goodwill was recognized upon the acquisition of HGI during the year ended December 31, 2017. The amount represents the sales and growth potential of HGI, is not subject to amortization, and is evaluated for impairment annually or more often if events or circumstances indicate there may be an impairment.

During the nine-month period ended September 30, 2020 the Company disposed of its goodwill recognized upon the sale of HGI. The carrying value of goodwill as at September 30, 2020 was \$nil (December 31, 2019 - \$4,374,313).

12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2020	December 31, 2019
Settlements payable	\$ 2,425,480	\$ -
Trade payables	1,588,730	3,139,800
Bonus shares payable	372,000	-
Interest payable	77,917	8,219
Excise tax payable	-	516,949
HST tax payable	-	210,727
	\$ 4,464,127	\$ 3,875,695

In connection with the sale of HGI, the Company agreed to pay one-time bonuses and performance fees for past services to the Company and entered into various debt settlement agreements with former employees of Biome and HGI. The one-time bonuses, performance fees, and settlement amounts are included in the three months ended September 30 and classified as consulting fees (\$1,291,759) or salaries and wages (\$997,000),

The settlements and bonus shares payable will be settled with the issuance of either MYM common shares or MYM convertible shares. These shares have not been issued as of the date of the approval of these financial statements.

13. LOANS PAYABLE

- a) On July, 31, 2020, in connection with sale of HGI, MYM agreed to loan the Company an amount equal to \$1,000,000 (the "MYM Loan – Tranche #1") plus the balance of certain liabilities of HGI, which will continue to be owed by HGI post-closing in the amount of \$1,664,141 (the "MYM Loan – Tranche #2"), both for a term of 18 months with an option to extend for an additional 6 months at the sole discretion of the Company upon the Company paying an extension fee. The MYM Loan bears interest at a face rate of 17.5% per annum.

Pursuant to the loan and security agreement, the Company incurred a one-time set-up fee equal to 8% of the MYM Loan – Tranche #1 advance. Interest on the MYM Loan is payable monthly beginning on November 30, 2020. The total debt issuance costs of \$80,000 were applied against the loan principle in the amount of \$2,664,141 and are accreted over the term of the loan.

A continuity of the loan obligation is as follows:

	September 30, 2020
Opening balance	\$ -
Proceeds from issuance of term loan	2,664,141
Issuance costs and transaction fees	(80,000)
Amount allocated to warrant reserve	-
Principal repayments, net	-
Accretion expense	8,563
Ending balance	\$ 2,592,704

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13. LOANS PAYABLE (continued)

- b) On March 9, 2020, the Company entered into a promissory note with a director of the Company in the amount of \$400,000. The promissory note bears interest at a monthly rate of 1.5% and was due on April 23, 2020 and has been extended for up to 45 days to June 7, 2020. The Company received cash proceeds of \$387,000 with \$9,000 held back for prepaid interest and \$4,000 held back for a loan origination fee. On May 15, 2020, the Company repaid \$100,000 of the outstanding principal balance and on July 27, 2020 the Company repaid the remaining balance of the outstanding principal in the amount of \$300,000. During the three and nine months ended September 30, 2020, the Company recorded interest expense of \$3,500 and \$23,800, respectively (three and nine months ended September 30, 2019 - \$nil and \$nil respectively) related to the promissory note payable. On September 30, 2020 interest payable of \$nil is included in accounts payable and accrued liabilities (December 31, 2019 - \$nil).
- c) During the year ended December 31, 2019, the Company received a series of advances from a related party totaling \$1,250,000. The amounts are secured by promissory notes and bears no interest. As at September 30, 2020, the carrying value of this loan is \$1,250,000.
- d) On November 21, 2019, the Company entered into a credit agreement pursuant to which the Company received a loan in the amount of \$3,000,000. The loan bears interest at 10% per annum payable monthly, is due on November 21, 2021. The amount is secured by, amongst other guarantees and assignments, a general security agreement and a first priority security interest over all common shares of HGI. Of the total loan amount, \$500,000 has been placed in a lawyer's trust account pursuant to an escrow agreement which restricts the use of the funds subject to certain conditions to be fulfilled by the Company and its management.

Pursuant to the credit agreement, the Company incurred a one-time aggregate commitment fee of \$105,000, paid costs of the lender totaling \$51,000, and committed to issue 5,357,143 share purchase warrants exercisable for a period of four years at a price of \$0.28 per common share. The Company has estimated the fair value of the share purchase warrants being \$979,475, which has been calculated using the Black-Scholes Option Pricing Model using the following estimates: stock price on date of grant - \$0.24; expected life of warrants - 4 years; volatility - 125%; dividend rate - 0%; risk-free rate - 1.51%. The total debt issuance costs of \$1,135,475 were applied against the loan principle amount of \$3,000,000 and are accreted over the term of the loan.

A continuity of the loan obligation is as follows:

	September 30, 2020	December 31, 2019
Opening balance	\$ 1,926,571	\$ -
Proceeds from issuance of term loan	-	3,000,000
Issuance costs and transaction fees	-	(156,000)
Amount allocated to warrant reserve	-	(979,475)
Principal repayments, net	(3,000,000)	-
Accretion expense	1,073,429	62,046
Ending balance	\$ -	\$ 1,926,571

During the nine months ended September 30, 2020, the Company repaid principal of \$3,000,000 and recorded interest expense of \$16,701 and \$140,662, respectively (three and nine months ended September 30, 2019 - \$nil and \$nil, respectively) related to the loan payable. The Company paid legal fees of \$8,743, prepayment penalty of \$66,751 and prepaid legal expenses of \$2,500.

The Company also recorded a deferred income tax asset of \$265,000 relating to the difference between the Company's accounting and tax basis. The deferred income tax asset was reduced by \$265,000 upon repayment of \$3,000,000 of the principal amount outstanding during the nine months ended September 30, 2020 resulting in a deferred income tax recovery on the condensed interim consolidated statement of loss and comprehensive loss.

The Company has no further obligation with respect to this loan obligation.

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14. LEASE LIABILITY

The Company leased two vehicles for use in operations. The leases have been recorded as finance leases. The lease liability is as follows:

	September 30, 2020	December 31, 2019
Balance, beginning of period	\$ -	\$ -
Finance lease obligation	52,266	-
Repayment of lease obligation	(13,935)	-
Interest expense	2,798	-
Sale of HGI (note 4)	(41,129)	-
Balance, end of period	\$ -	\$ -

15. SHARE CAPITAL**a) Authorized**

- Unlimited number of voting common shares without par value; and
- Unlimited number of non-voting and redeemable Special Class B and C shares without par value.

As at September 30, 2020, there was 112,417,435 common shares outstanding and 1 Special Class C share outstanding (December 31, 2019 - 111,599,899 common shares outstanding and 1 Special Class C share outstanding).

b) Escrow shares

The Company had common shares subject to trading restrictions and escrow which are measured in tranches through April 4, 2020. On April 4, 2020, a total of 15,801,252 common shares were released from escrow. Subsequent to the release, the Company has no shares subject to escrow restrictions.

c) Issued shares

The Company had the following common share transactions during the nine months ended September 30, 2020:

- The Company issued 417,536 common shares to settle a loan payout with a fair value of \$33,402 or \$0.08 per common share.
- The Company issued 400,000 common shares to settle a debt with a fair value of \$40,000 or \$0.10 per common share.

The Company had the following common share transactions during the year ended December 31, 2019:

- The Company issued 407,920 common shares upon exercise of warrants for gross proceeds of \$83,751.
- The Company issued 1,063,870 common shares pursuant to employment agreements and settlement of accounts payable. The fair value of the shares issued was \$281,471.

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15. SHARE CAPITAL (continued)**d) Shares issuable**

Pursuant to the acquisition of The Back Home Medical Cannabis Corporation ("Back Home"), the Company recorded a shares issuable amount of \$250,000 for shares issuable to the vendors of Back Home upon reaching of certain milestones.

During the year ended December 31, 2017, the Company recorded shares issuable amount of \$265,000 for shares issuable to certain consultants for services provided to the Company. As the services were not provided by the Company, the shares issuable was reversed during the nine months ended September 30, 2020 and recorded as other income on the condensed interim consolidated statement of loss and comprehensive loss (note 16).

e) Stock options

The Company has adopted a stock option plan for its directors, officers, employees and consultants to acquire common shares of the Company at a price determined by the fair market value of the shares at the date immediately preceding the date on which the option is granted. The terms and conditions of the stock options are determined by the Board of Directors.

A summary of the stock option transactions during the nine months ended September 30, 2020 is as follows:

	Number of stock options	Weighted average exercise price
Balance, December 31, 2018 and 2019	400,000	\$1.60
Granted	1,500,000	\$0.08
Balance, September 30, 2020	1,900,000	\$0.40

The following table summarizes stock options outstanding and exercisable as at September 30, 2020:

Grant Date	Expiry Date	Exercise price	September 30, 2020	December 31, 2019
October 19, 2018	October 19, 2021	\$1.60	400,000	400,000
July 31, 2020	July 31, 2025	\$0.08	1,500,000	-
Total			1,900,000	400,000
Weighted average remaining contractual life of stock options outstanding at the end of the period			2.9 years	1.8 Years

During the three and nine months ended September 30, 2020, the Company recognized stock-based compensation of \$11,259 and \$11,259, respectively (three and nine months ended September 30, 2019 - \$nil and \$nil, respectively). The stock-based compensation represents the fair value of stock options granted during the period and is estimated on the grant date using the Black-Scholes option pricing model. Stock-based compensation costs were calculated with the following assumptions: expected life of options - 5 years; volatility - 100%; no dividend yield; risk-free interest rate - 0.26%

f) Share purchase warrants

A summary of share purchase warrant activities are as follows:

	Number of warrants	Weighted Average Exercise Price
Balance, December 31, 2018	1,984,636	\$ 2.23
Exercised	(407,920)	\$ (0.06)
Expired	(137,820)	\$ (0.06)
Balance, December 31, 2019	1,438,896	\$ 3.10
Granted	5,357,143	\$ 0.28
Expired	(357,799)	\$ (5.57)
Balance, September 30, 2020	6,438,240	\$ 0.59

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15. SHARE CAPITAL (continued)

At September 30, 2020, the Company had share purchase warrants outstanding to acquire common shares of the Company as follows:

Grant date	Expiry Date	Exercise price (\$)	September 30, 2020	December 31, 2019
January 19, 2018	January 19, 2020	0.60	-	85,160
December 12, 2018	April 1, 2020	1.00	-	54,930
May 11, 2015	May 11, 2020	27.50	-	18,715
July 27, 2015	July 27, 2020	20.00	-	15,577
July 28, 2015	July 28, 2020	20.00	-	8,976
August 30, 2018	August 30, 2020	1.00	-	23,800
September 17, 2018	September 17, 2020	1.00	-	1,500
September 25, 2018	September 25, 2020	19.75	-	37,766
September 28, 2018	September 28, 2020	1.00	-	111,375
October 1, 2018	October 1, 2020	1.00	15,715	15,715
November 30, 2015	November 30, 2020	20.00	27,645	27,645
February 1, 2016	February 1, 2021	20.00	12,592	12,592
February 16, 2016	February 16, 2021	20.00	5,242	5,242
March 4, 2016	March 4, 2021	20.00	2,700	2,700
April 18, 2016	April 18, 2021	20.00	14,712	14,712
August 16, 2016	August 16, 2021	20.00	1,866	1,866
October 3, 2018	October 3, 2021	1.00	1,000,000	1,000,000
October 19, 2018	October 19, 2021	1.60	625	625
November 21, 2019	November 21, 2023	0.28	5,357,143	-
Total			6,438,240	1,438,896
Weighted average remaining contractual life of share purchase warrants outstanding at the end of the period			2.77 years	1.4 years

16. OTHER INCOME

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Cancellation of shares to be issued	\$ -	\$ -	\$ 250,000	\$ -
COVID-19 relief	-	-	38,653	-
Other	9,132	-	84,977	-
	\$ 9,132	\$ -	\$ 331,420	\$ -

During the year ended December 31, 2018, the Company entered a consulting contract whereby the Company was to issue common shares with a fair value of \$250,000 in exchange for consulting services. Due to non-performance under the consulting contract, the Company has reversed the obligation to issue the common shares and recorded a recovery of the previously expensed consulting contract.

During the three and nine months ended September 30, 2020, the Company received \$207,038 from the Government of Canada for COVID-19 relief, specifically as a salary and wage subsidy (three and nine months ended September 30, 2019 - \$nil). The amount received was allocated between continuing and discontinued operations.

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17. FINANCIAL INSTRUMENTS AND FINANCIAL RISK**Fair value measurement of financial assets and liabilities**

IFRS 13 - *Fair Value Measurement* establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities,
- Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly (i.e.: as prices) or indirectly (i.e.: derived from prices); and
- Level 3: Inputs that are not based on observable market data.

The fair value of cash and restricted cash is measured using Level 1 inputs. The carrying values of amounts receivable, accounts payable and current loans payable approximate their respective fair values due to the short-term nature of these instruments. The fair value of long-term loans payable approximates fair value as it is discounted using a market rate of interest. The fair value of investments has been determined in whole by reference to the bid price of the shares on the Canadian Securities Exchange ("CSE") at each reporting date.

As at September 30, 2020, the Company's financial instruments consist of cash, amounts receivable, other receivable, investments, accounts payable and loans payable.

Financial risk management objectives and policies

The Company's financial instruments include cash, amounts receivable, other receivables, accounts payable and loans payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) Currency risk

The Company operates primarily in Canadian dollars and as such is not affected by the fluctuations of the Canadian dollar with other currencies.

(ii) Interest rate risk

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

(iii) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash. At present, the Company holds its cash in Canadian rated financial institutions and will only consider investment of excess cash in highly rated government and corporate debt securities or guaranteed certificates from Canadian chartered banks. The Company has established guidelines, including diversification, credit ratings and maturities, to ensure safety and liquidity of its cash.

As at September 30, 2020, the Company's exposure is the carrying value of the financial instruments. The Company's maximum exposure to credit risk is the carrying value of its financial assets.

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17. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)*(iv) Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. To the extent that the Company does not believe it has sufficient liquidity to meet its current obligations, the Board of Directors considers securing additional funds through issuances of equity and debt or partnering transactions. The Board of Directors approves any material transactions outside the ordinary course of business. Management regularly reviews the Company's operating and capital budgets and maintains short-term cash flow forecasts.

The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable. Due to the ongoing COVID 19 pandemic, liquidity risk has been assessed as high.

(iv) Maturity risk

The Company's cash balance at September 30, 2020 was in the amount of \$635,305. At September 30, 2020, the Company had amounts receivable of \$494,659, accounts payable of \$4,464,127, current portion of loans payable of \$1,250,000 and loans payable of \$2,592,704. All accounts payable and accrued liabilities are current.

As at September 30, 2020, the Company did not have derivative financial liabilities with contractual maturities.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses and commitments for a period of 90 days. To achieve this objective, the Company prepares annual capital expenditure budgets, which are regularly monitored and updated as considered necessary.

The following table summarizes the maturities of the Company's financial liabilities as at September 30, 2020 based on the undiscounted contractual cash flows:

	Carrying value	Principal amount	Less than 1 year		1 - 3 years
Accounts payable	\$ 4,464,127	\$ 4,464,127	\$ 4,464,127	\$ -	
Loans payable	2,592,704	2,664,141	-		2,664,141
	\$ 7,056,831	\$ 7,128,268	\$ 4,464,127	\$ -	2,664,141

(v) Market risk

The Company is exposed to market risk from fluctuations in the market value of MYM shares. A 10% increase / decrease would result in an \$868,075 unrealized gain / loss on the investment.

18. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue its business objectives. The Company does not have any externally imposed capital requirements to which it is subject.

The Company considers the aggregate of its share capital, contributed surplus and deficit as capital. The Company manages the capital structure and adjusts it considering 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, issue new debt, acquire or dispose of assets in order to adjust the amount of cash on its balance sheet.

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19. RELATED PARTY BALANCES AND TRANSACTIONS

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is a related party transaction when there is a transfer of resources or obligations between related parties.

Key management includes directors and key officers of the Company, including the President, Chief Executive Officer and Chief Financial Officer ("CFO"). During the three and nine months ended September 30, 2020 and 2019, key management compensation consisted of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Consulting fees	\$ 865,340	\$ 32,608	\$ 1,056,700	\$ 191,360
Interest expense	3,500	-	23,800	-
	\$ 868,840	\$ 32,608	\$ 1,080,500	\$ 191,360

As at September 30, 2020, \$2,596,074 (December 31, 2019 - \$1,470,985) was owing to key management personnel for fees and expenses.

	September 30, 2020	December 31, 2019
Accounts payable and accrued liabilities	\$ 1,346,074	\$ 280,985
Loans payable	1,250,000	1,250,000
	\$ 2,596,074	\$ 1,530,985

As at September 30, 2020, accounts payable include \$220,985 (December 31, 2019 - \$220,985) in wages for consulting expenses to an entity which is under common control of a former director of the Company. The amount is unsecured, non-interest bearing and due on demand.

As at September 30, 2020, accounts payable include wages payable of \$nil (December 31, 2019 - \$40,000) and reimbursable expenses of \$15,168 (December 31, 2019 - \$nil) due to a director for unpaid fees and expense reimbursement. The amounts are unsecured, non-interest bearing and due on demand. A settlement agreement was made whereby the director will receive \$995,000. This will be settled with the issuance of either MYM common shares or MYM convertible shares (note 12). These shares have not been issued as of the date of the approval of these financial statements.

As at September 30, 2020, accounts payable include \$114,921 (December 31, 2019 - \$20,000) for salaries and wages of the CFO of the Company. The amount is unsecured, non-interest bearing and due on demand.

As at September 30, 2020, the Company had full repaid a loan to director of the Company. Interest accrued for the nine months ended September 30, 2020 totaled of \$23,800 (December 31, 2019 - \$nil) (see Note 13(b)). The amount accrued interest at a monthly rate of 1.5% and was due on demand.

As at September 30, 2020, the Company has loans payable totaling \$1,250,000 (December 31, 2019 - \$1,250,000) to an entity under control of a significant shareholder of the Company (see Note 13(c)). The balance payable is secured by promissory notes, non-interest bearing and due on demand.

20. SUPPLEMENTAL CASH FLOW INFORMATION

The significant non-cash transactions for the nine months ended September 30, 2020 were as follows:

- The Company issued 417,536 common shares to settle a loan payout with a fair value of \$33,402 or \$0.08 per common share.
- The Company issued 400,000 common shares to settle a debt with a fair value of \$40,000 or \$0.10 per common share.
- De-recognition of a ROU asset of \$52,266 and corresponding lease liability during the period
- Total non-cash consideration received by the Company for the sale of HGI was \$10,521,901

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21. SUBSEQUENT EVENTS

Subsequent to the nine-months ended September 30, 2020, the Company entered into a Share Buy back agreement to effectively reverse the Back Home Medical Cannabis Corporation ("BackHome") Share Purchase Agreement previously completed on April 12, 2018. The Company paid \$15,000 cash and transferred 100 shares (representing 100%) of Back Home in exchange for 187,500 shares in the capital of the Company. The Company will be returning these shares to treasury. As part of the transaction, the Company has no further obligations related to the original Share Purchase Transaction including the shares to be issued as contemplated in note 15 (d).