BIOME GROW INC.

("Biome" or the "Company")
Year Ended December 31, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

1. Date of Report: April 30, 2021

The following management's discussion and analysis ("MD&A") has been prepared as of April 30, 2021 and should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2020 and accompanying notes for the year ended December 31, 2020, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian dollars unless otherwise indicated.

This MD&A includes certain statements that may be deemed "forward-looking statements". Such statements include, but are not limited to, statements regarding the expected performance of the Company's business and operations; the Company's expectations regarding revenues, expenses and anticipated cash needs and the ability to secure such cash needs in a timely manner and on terms acceptable to the Company; the intention to grow the Company's business and operations and the timing associated therewith; the expectation of an increase in product demand in the various selling jurisdictions and the timing associated therewith and the ability of the Company to satisfy such demand. Such statements include, but are not limited to, statements with respect to expectations, projections, or other characterizations of future events or circumstances, and our objectives, goals, strategies, beliefs, intentions, plans, estimates, projections and outlook, including statements relating to our expectation with respect to our expansion projects.

Often, but not always, forward-looking statements and information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "aims", "anticipates", "will", "projects", or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events, results or conditions "may", "could", "would", "might" or "will" be taken, occur or be achieved. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements, by their very nature, are subject to numerous risks and uncertainties, some of which are beyond the Company's control, and are not guarantees of future performance. Forward-looking statements and information are based on the opinions and estimates of management at the date the statements are made, as well as a number of assumptions made by, and information currently available to, the Company concerning, among other things, anticipated market demand for cannabis, the availability of additional capital to finance growth and future research and development, anticipated revenue and cash flow from the sale of cannabis products, the Company's ability to obtain necessary governmental permits and approvals in a timely manner and on commercially reasonable terms, access to and availability of components (including personnel) to develop the Company's operations, all of which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievement of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements and information.

These statements are subject to certain risks, assumptions and uncertainties that could cause actual results to differ materially from those included in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include risks related to the Company's limited operating history, general business, economic, competitive, political and social uncertainties, uncertain and volatile equity and capital markets, lack of available capital, future demand for cannabis, lack of market acceptance or demand for the Company's products, the need for significant additional capital, changes in government legislation, environmental risks and hazards, infrastructure and/or operating costs, labor and employment matters, inability to secure necessary permits and approvals on a timely basis or at all, uncertainties involved in interpreting marketing and sales data, defects in the Company's title to its intellectual property, third party infringement claims, cost increases, exchange rate fluctuations, the Company's dependence on key personnel, as well as those factors discussed in the Company's Listing Statement available for review on SEDAR. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

To the extent any forward-looking information in this MD&A constitutes future-oriented financial information or financial outlook, within the meaning of applicable securities laws, such information is being provided to demonstrate the potential of the Company and readers are cautioned that this information may not be appropriate for any other purpose. The Company undertakes no obligation to update or revise these forward-looking statements to reflect new information, future events or circumstances.

2. Nature of Business

Biome Grow Inc. (the "Company") was incorporated under the laws of the Province of British Columbia on December 31, 2013. The head office and principal business location of the Company is 1401-480 University Avenue, Toronto, Ontario.

The Company is in the cannabis industry. On May 19, 2017, the Company acquired a 100% interest in Highland Grow Inc. ("Highland Grow") (formerly THC Dispensaries Canada Inc.). Highland Grow obtained a cultivation licence on December 1, 2017, and its authorization to sell cannabis on December 16, 2018. Highland Grow currently cultivates, produces, and distributes cannabis at its Antigonish, Nova Scotia, facility. On July 24, 2020, the Company and MYM Nutraceuticals Inc. ("MYM") entered into an agreement whereby the Company has sold 100% Highland Grow to MYM.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. It has adversely affected global workforces, economies, and financial markets, triggering an economic downturn. It is not possible at this time for the Company to predict the duration or magnitude of the adverse results of neither the outbreak nor its effects on the Company's business or operations.

The Company's current operations are limited to holding marketable securities in MYM, which it sells when needed to satisfy its monthly obligations as well to pare down its existing liabilities. The Company actively reviewing opportunities in a variety of industries as part of its restructuring efforts.

3. Overall Performance

The Company began commercial operations in its first quarter of 2019. The Company incurred net losses for the years ended December 31, 2020 and 2019 which reflect the steady increase in operational activities that are consistent with a Company on a steep growth curve.

During the year ended December 31, 2020, the Company capitalized on an opportunity to sell Highland Grow Inc. ("HGI") to raise funds to pay down debts and invest in MYM Nutraceuticals Inc.("MYM") as its largest individual shareholder. As part of the transaction, all employees and consultants of the Company with the exception of executive officers were transferred to MYM.

During the fourth quarter of 2020 the Company entered a a share buy back agreement to dispose of it's investment in The Back Home Medical Cannabis Corporation. This transaction enabled the Company to exit cancel further commitments and better poise the Company for future investments.

During the year ended December 31, 2020 and prior to the sale of HGI, the Company's primary focus was to reduce operating costs of its operations including :

- Reduction of staffing in operations due to increased efficiencies
- Termination of lease for corporate office;
- Completed review and write down of obsolete inventory;
- Optimized and increased production capacity;
- Discontinued expansion and development of new production facilities; and
- Elimination of activities associated with investor relations and public relations.

The above activities have resulted in a steady reduction of net loss from operations in the first two quarters of 2020 as compared to the immediately preceding quarters. Additional reductions in expenses are expected in the first quarter of 2021 from continued efforts reaching settlement agreements for amounts payable from activities conducted in the year ended December 31, 2020.

4. Selected Annual Information and Results of Operations

	December 31, 2020	December 31, 2019	December 31, 2018
	$	$	$
Net loss and comprehensive loss	**(239,199)**	(9,480,828)	(8,861,927)
Basic and diluted loss per share	**(0.02)**	(0.09)	(0.09)
Cash	**98,113**	1,564,805	1,859,505
Total assets	**12,580,607**	13,971,535	15,662,909
Current liabilities	**3,608,723**	5,125,695	650,099
Non-current liabilities	**2,455,545**	1,926,571	Nil

Significant factors and trends that have impacted the Company's results during the periods presented above include the following:

- During the year ended December 31, 2020, the Company incurred a net loss from operations of $1,717,080 (2019 - $8,960,832) and a net loss and comprehensive loss of $239,199 (2019 - $9,480,828). The significant decline in loss was primarily from $3.9 million in unrealized gain on investments in 2020 ($nil in 2019), and a $4.7 million write-down on property, plant, equipment and intangibles in 2019 (compared to $nil in 2020) which together comprise approximately $8.6 million in year over year loss reduction.

4.1 Summary of Quarterly Results

Three months ended	**December 31, 2020**	September 30, 2020	June 30, 2020	March 31, 2020
	$	$	$	$
Revenues	**-**	-	2,250,568	1,718,480
Net loss from operations	**4,983,797**	(5,175,714)	(655,297)	(869,866)
Net (loss) gain from discontinued operations	**(789,923)**	2,267,804	-	-
Net gain (loss) and comprehensive gain (loss)	**5,225,226**	(2,907,910)	(650,686)	(1,905,829)
Basic and diluted income (loss) per share	**0.04**	(0.03)	(0.01)	(0.02)
Cash	**98,113**	147,895	448,864	173,819
Total assets	**12,580,607**	9,811,615	12,078,618	12,073,519
Total liabilities	**6,064,268**	8,306,831	7,750,586	7,075,079

Three months ended	December 31, 2019	September 30, 2019	June 30, 2020	March 31, 2020
	$	$	$	$
Revenues	1,549,693	1,441,733	1,347,019	340,574
Net loss from operations	(1,051,959)	(1,217,192)	(811,508)	(1,068,130)
Net loss and comprehensive loss	(6,588,789)	(1,479,152)	(771,058)	(641,829)
Basic and diluted loss per share	(0.09)	(0.01)	(0.01)	(0.01)
Cash	1,564,805	121,595	618,634	738,392
Total assets	13,706,535	15,996,793	15,537,112	15,312,676
Total liabilities	6,787,266	3,697,005	1,833,438	910,444

Significant factors and trends that have impacted the Company’s results during the periods presented above include the following:

- The Company recorded a loss on disposal of discontinued operations of $15,089 from the share buy back agreement with Back Home Medical Cannabis Corporation in the fourth quarter of 2020 compared to a gain in the third quarter of 2020 of $2,267,804 which consisted of income from discontinued operations of $508,643 and a gain on disposal of HGI of $1,759,161.

- During the first and second quarter of 2020, the Company recorded an inventory impairment of $405,753 and $888,422, respectively, to write-down obsolete inventory. This inventory is considered part of the discontinued operation and is included in income from discontinued operations for the period.

- During the second quarter of 2020 the Company recorded other income of $207,038 related to COVID-19 relief and the cancellation of a previously expensed consulting contract due to non-performance. The amount received was allocated between continuing and discontinued operations.

- In the third quarter of 2020, the Company entered into various debt settlements and bonus payments with former employees of Biome and HGI. These were settled with the issuance of MYM common shares MYM convertible shares in the fourth quarter of 2020. The Company recorded a gain on debt settlement of $266,813.

- On July 31, 2020, the Company received 42,813,985 MYM Shares and 132,551,040 Exchangeable Shares of MYM as consideration for the sale of HGI. During the fourth quarter of 2020, the Company had an unrealized gain of $3,888,432 compared to an unrealized loss of $1,736,150 in the third quarter of 2020.

5 Comparison of results for the year ended December 31, 2020 and 2019

	2020	2019
	$	$
Revenue	-	-
Gross margin	-	-
Operating expenses	**5,602,774**	4,602,114
Other expenses (income)	**(3,885,694)**	4,784,372
Net loss from operations	**(1,717,080)**	(8,960,832)
Net income (loss) from discontinued operations, net of tax	**1,477,881**	(519,996)
Net loss and comprehensive loss	**(239,199)**	(9,480,828)

During the year ended December 31, 2020, the Company incurred a net loss from operations of $1,717,080 (2019 - $8,960,832) and a net loss and comprehensive loss of $239,199 (2019 - $9,480,828). The significant decline in loss was primarily attributable to the other expenses (income) including a $3.9 million in unrealized gain on investments in 2020 ($nil in 2019), and a $4.7 million write-down on property, plant, equipment and intangibles in 2019 (compared to $nil in 2020) which together comprise approximately $8.6 million in year over year loss reduction. As at December 31, 2020, the Company had positive working capital of $8,459,522 (2019 - $ 933,466) and an accumulated deficit of $19,159,556 (2019 - $19,170,357).

Net income (loss) from discontinued operations, net of tax, increased from a loss of $519,996 for the year ended December 31, 2019 to a gain of $1,727,881 the year ended December 31, 2020, noting that the decrease in loss primarily relates to a $1.8 million gain on sale of Highland Grow Inc. in 2020.

Operating expenses for the year ended December 31, 2020 were $5,602,864 as compared to $4,602,114 for the year ended December 31, 2019. Significant variances include the following:

- Consulting fees increased from $782,556 for the year ended December 31, 2019 to $1,665,549 for the year ended December 31, 2020 as the Company entered into various one-time debt settlement agreements and bonus payments with former consultants of Biome and HGI including a one-time bonus consulting fee in the amount of $800,000 to a director of the Company.

- Bad debt expense increased from $nil for the year ended December 31, 2019 to $380,518 for the year ended December 31, 2020 due to provisions made for unlikely collection of GST ITC claims that are currently under review.

- Salaries and wages increased from $1,166,332 for the year ended December 31, 2019 to $1,393,290 for the year ended December 31, 2020 due to an increase in staffing throughout the organization and various debt settlement agreements and bonus payments with former employees of Biome and HGI as part of the sale of HGI.

- Accretion expense increased from $62,046 for the year ended December 31, 2019 to $ 1,373,509 for the year ended December 31, 2020 primarily due to the transaction costs incurred on the CVN loan received in 2019 and repaid in the 2020 which resulted in accretion expense of $1,086,188 in 2020 (2019 - $40,286)

6 Comparison of results for the three months ended December 31, 2020 and 2019

	2020	2019
	$	$
Revenue	-	-
Gross margin	-	-
Operating expenses	**663,562**	663,952
Other expenses (income)	**(1,031,352)**	4,623,718
Net income (loss) from operations	**5,010,037**	(5,022,670)
Net loss from discontinued operations, net of tax	**(789,923)**	(1,566,119)
Net income (loss) and comprehensive income (loss)	**5,225,226**	(6,588,788)

During the three months ended December 31, 2020, the Company incurred net income from operations of $5,010,037 (Q4 2019 – loss of $5,022,670) and a net income and comprehensive income of $5,225,226 (Q4 2019 – loss of $6,588,788). The significant decline in loss was primarily attributable to the other expenses (income) including a $5.6 million in unrealized gain on investments in Q4 2020 ($nil in 2019), and a $4.7 million write-down on property, plant, equipment and intangibles in Q4 2019 (compared to $nil in 2020) which together comprise approximately $10.3 million in year over year loss reduction.

Net loss from discontinued operations, net of tax, increased from a loss of $1,566,119 for the three months ended December 31, 2019 to a loss of $789,923 for the three years ended December 31, 2020. This is largely comprised of working capital adjustments on the sale of HGI in the three months ended December 31, 2020 compared to a full period of losses in HGI in 2019.

Operating expenses for the three months ended December 31, 2020 were $663,562 as compared to $663,952 for the three months ended December 31, 2019. Significant variances include the following:

- Consulting fees decreased from $471,642 for the three months ended December 31, 2019 to $57,994 for the three months ended December 31, 2020 as the Company no longer required the use of various consultants upon the sale of HGI.

- Bad debt expense increased from $nil for the three months ended December 31, 2019 to $150,100 for the three months ended December 31, 2020 as a result of GST refund claims deemed uncollectible by the CRA.

- Accretion expense increased from $62,046 for the three months ended December 31, 2019 to $291,517 for the three months ended December 31, 2020. The increase is due to an additional accretion recognized on the CVN loan, and accretion expense on the MYM discounted loan which did not exist in the prior year.

- Net income from discontinued operations, net of tax, increased from a loss of $1,566,119 for the three months ended December 31, 2019 to a loss of $ 789,923 the three months ended December 31, 2020 due to subsequent write downs of inventory and other working capital adjustments related to the discontinued operations

7 Liquidity and Capital Resources

The Company had the following activities during the year ended December 31, 2020:

- As at December 31, 2020, the Company had total assets of $12,580,607 and a positive working capital of $8,459,522.

- As at December 31, 2020, the Company had cash of $98,113 (December 31, 2019 - $1,564,805). As at December 31, 2020, the Company had prepaid expenses of $307,600 (December 31, 2019 - $nil).

- Cash utilized in operating activities during the year ended December 31, 2020 was $2,066,494 (December 31, 2019 - $3,259,872).

- At December 31, 2020, share capital was $23,183,398, comprising 112,417,435 issued and outstanding common shares and 1 special class C share.

The Company had the following activities during the year ended December 31, 2019:

- 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, bear no interest and are due on demand. As at December 31, 2020, the carrying value of this loan is $1,250,000.

- 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. During the year ended December 31, 2020, the Company repaid principal of $3,000,000 and recorded interest expense of $140,662 (December 31, 2019 - $nil) 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.

At present, the Company's operations generate small levels of cash inflows and its financial success after December 31, 2020 is dependent on management's ability to continue to obtain sufficient funding to sustain operations through its development stage.

The Company may not be able to generate sufficient cash flows from its operations in the foreseeable future to support its working capital needs. As a result, the Company will have to rely on funding through future equity and debt issuances to finance ongoing operations and construction. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to raise capital on acceptable terms or at all.

Working Capital

As at December 31, 2020 and 2019 the Company has the following working capital:

	2020	2019
	$	$
Cash and cash equivalents	**98,113**	1,564,805
Restricted cash	**471,386**	500,000
Amounts receivable	**38,211**	1,365,864
Deposits and prepaid expenses	**307,600**	181,548
Biological Assets	**-**	168,258
Investments - current	**11,152,935**	-
Inventory	**-**	2,278,686
Total Current Assets	**12,068,245**	6,059,161
Accounts payable and accrued liabilities	**2,358,723**	3,875,695
Loans payable	**1,250,000**	1,250,000
Total current liabilities	**3,608,723**	5,125,695
Working capital	**8,459,522**	933,466

As at December 31, 2020, the Company had working capital of $8,459,522 (December 31, 2019 - $933,946). The increase in working capital was primarily driven by the following:

- Increase in Investments (December 31, 2019 - $nil) due to the acquisition of MYM shares with a fair value of $11,665,297. Of this amount, $11,152,935 is current, and $512,362 long term.

- Decrease in accounts payable. In connection with the sale of HGI, the Company entered into various debt settlements and bonus payments with former employees of the Company and HGI which were settled with the issuance of Exchangeable shares with a fair value of $2,613,353, and MYM shares.

- As at December 31, 2020, the Company had amounts receivable of $38,211 (December 31, 2019 – $1,365,864). In connection with sale of HGI, the Company has reduced the amount of trade receivables by $1,364,760.

Cash Flow for the year ended December 31, 2020 and 2019

	2020	2019
	$	$
Cash used in operation activities of continuing operations	**(2,066,494)**	(3,259,872)
Cash used in operating activities of discontinued operations	**807,353**	1,035,011
Loans payable, net of cash costs	**-**	4,094,000
Advance of term loan	**1,000,000**	-
Debt issuance costs	**(80,000)**	-
Advances from short-term loan	**400,000**	-
Repayment of short-term loan	**(400,000)**	-
Shares issued pursuant to exercise of warrants	**-**	83,751
Repayment of loan payable	**(3,163,676)**	-
Interest paid on loan payable	**(50,660)**	-
Net cash (used in) provided by financing activities	**(2,294,336)**	4,177,751
Net cash provided by (used in) investing activities	**565,224**	(412,835)
Cash flows from investing activities of discontinued operations	**1,492,947**	(1,334,755)
Net decrease in cash and cash equivalents (continuing operations)	**(3,795,606)**	505,044
Net increase in cash and cash equivalents (discontinued operations)	**2,300,300**	(299,744)

Operating activities from continuing operations used cash of $2,066,494 during the year ended December 31, 2020, as compared to using cash of $3,259,872 during the year ended December 31, 2019. The decrease in cash provided as compared to prior year is primarily the result of:

- Net loss from continuing operations $1,717,080 offset by significant non-cash items that were lower in the prior year, including accretion expense of $1,373,509 (2019 - $62,046) and a bad debt expense of $380,518 (2019 - $nil).

- Movements in working capital increased cash by $2,597,386 during the year ended December 31, 2020 as compared to increasing cash by $1,299,657 during the year ended December 31, 2019 primarily due to settlements agreements and bonus payments with former employees of Biome and HGI accrued during the year ended December 31, 2020.

- Operating activities from discontinued operations provided cash of $1,057,353 during the year ended December 31, 2020, as compared to $1,035,011 during the year ended December 31, 2019.

- Investing activities from continuing operations provided cash of $565,224 during the year ended December 31, 2020, as compared to using cash of $412,835 during the year ended December 31, 2019. The increase in cash provided as compared to prior year is the result of the sale of HGI common shares and acquisition of property, plant and equipment in the prior year.

- Investing activities from discontinued operations provided cash of $1,242,947 during the year ended December 31, 2020, as compared to $1,334,755 during the year ended December 31, 2019. The increase in cash provided as compared to prior year is entirely the result of the sale of HGI.

- Financing activities from continuing operations used cash of $2,294,336 during the year ended December 31, 2020, as compared to providing cash of $4,177,751 during the year ended December 31, 2019. Cash used during the year ended December 31, 2020 related primarily to a $3,000,000 principal repayment on the $3,000,000 loan payable and $400,000 repayment on the $400,000 short-term loan received from a director of the Company. These decreases were partially offset by a $1,000,000 loan received from MYM pursuant to the sale HGI. During the year ended December 31, 2019 cash was provided primarily through the proceeds from loans including $1,250,000 unsecured interest-free loan from a related party.

Debt Financing

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 owing 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 Biome 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 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.

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. 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. During the year ended December 31, 2020 the Company repaid $400,000 principal related to the promissory note. As at December 31, 2020, the carrying value of the loan is $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, bear no interest and are due on demand. As at December 31, 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. During the year ended December 31, 2020, the Company repaid principal of $3,000,000 and recorded interest expense of $140,662 (December 31, 2019 - $nil) 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.

8 Management of Capital

The board of directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management policies on an annual basis. The Company's board of directors identifies and evaluates the Company's financial risks and is charged with the responsibility of establishing controls and procedures to ensure financial risks are mitigated.

As at December 31, 2020, the Company had access to cash and amounts receivable. To maintain or adjust the capital structure, the Company may attempt to issue new shares or debt instruments.

At present, the Company's operations generate cash inflows from the sale of its investments. The Company may not be able to generate sufficient cash flows from its operations in the foreseeable future to support its working capital needs. As a result, the Company may have to rely on funding through future equity and debt issuances to finance ongoing operations and debt maintenance. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to raise capital on acceptable terms or at all.

9 Disclosure of Outstanding Share Data

The Company's authorized shares capital consists of an 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. The Company had the following securities outstanding as at the date of this MD&A:

Type of security	**As at December 31,2020**	**As at date of this MD&A**
	#	**#**
Common shares	**112,417,435**	**112,417,435**
Special Class C Share	**1**	**1**
Stock options	**1,900,000**	**1,900,000**
Warrants	**6,394,880**	**6,394,880**
Fully diluted	**120,712,316**	**120,712,316**

10 Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed. The Company is not a party to any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on the Company's financial condition, changes in financial condition, revenues, expenses, results of operations, liquidity, capital expenditures or capital resources.

11 Transactions with Related Parties

Parties are considered to be 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 considered to be 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 ("CEO") and Chief Financial Officer ("CFO"). During the year ended December 31, 2020 and 2019, key management compensation consisted of the following:

	Year ended December 31,	
	2020	2019
	$	$
Consulting fees	**1,056,700**	126,136
Interest expense	**23,800**	-
Salaries and wages	**-**	153,333
	1,080,500	279,469

The following table summarizes the amounts due to related parties as at December 31, 2020 and December 31, 2019:

	2020	2019
	$	$
Accounts payable and accrued liabilities	**325,906**	220,985
Loans payable	**1,250,000**	1,250,000
	1,575,906	1,470,985

As at December 31, 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 and $104,922 (December 31, 2019 - $20,000) for salaries and wages of the former CFO of the Company.

As at December 31, 2020, the Company had fully repaid a loan from a director of the Company. Interest accrued for the year ended December 31, 2020 totaled of $23,800 (December 31, 2019 - $nil). The amount accrued interest at a monthly rate of 1.5% and was due on demand.

As at December 31, 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. The balance payable is secured by promissory notes, non-interest bearing and due on demand.

12 Critical Accounting Estimates

The audited consolidated financial statements of the Company are prepared in accordance with IFRS. Management makes estimates and assumptions and uses judgement in applying these accounting policies and reporting the amounts of assets and liabilities, revenue and expenses and other related disclosure. Significant estimates in the accompanying audited consolidated financial statements relate to the valuation of biological assets and inventory, stock-based compensation, warrants, the estimated lives of property, plant and equipment, deferred tax assets and liabilities and the carrying value of and goodwill. Actual results could differ from these estimates.

13 Changes in Accounting Policies

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited annual financial statements of the Company as at December 31, 2020. The consolidated financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2020.

During the year ended December 31, 2020, the Company adopted the following new or amended accounting standard:

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.

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 audited condensed consolidation statement of loss and comprehensive loss.

During the year ended December 31, 2020, the Company adopted the following new or amended accounting standard:

IFRS 16 Leases
IFRS 16 is a new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties of a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model.

14 Financial Instruments and Financial Risk

Fair value measurement of financial assets and liabilities

IFRS 13 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 December 31, 2020, the Company's financial instruments consist of cash, amounts 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 December 31, 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.

(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.

(v) *Maturity risk*

The Company's cash balance at December 31, 2020 was in the amount of $98,113. At December 31, 2020, the Company had amounts receivable of $38,211 accounts payable of $2,358,725, current portion of loans payable of $1,250,000 and loans payable of $2,455,545. All accounts payable and accrued liabilities are current.

As at December 31, 2020, the Company did not have derivative financial liabilities with contractual maturities.

Management of liquidity risk: 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 December 31, 2020 based on the undiscounted contractual cash flows:

	Carrying value	Principal amount	Less than 1 year	1 - 3 years
	$	$	$	$
Accounts payable	**2,358,723**	**2,358,723**	**2,358,723**	**-**
Loans payable	**3,705,545**	**3,750,465**	**1,250,000**	**2,500,465**
As at December 31, 2020	**6,064,268**	**6,109,188**	**3,607,725**	**2,500,465**

(v) Market risk

The Company is exposed to market risk from fluctuations in the market value of MYM shares. A 10% increase / decrease will result in an $1,166,530 unrealized gain / loss on the investment.

15 Events after the reporting period

IM Cannabis to Acquire MYM Nutraceuticals

Subsequent to the year ended December 31, 2020 MYM announced it has agreed to be acquired by IM Cannabis Corp. ("IMC") pursuant to the terms and subject to the conditions of a definitive arrangement agreement (the "Arrangement Agreement") dated March 31, 2021 between MYM, IMC and Trichome Financial Corp. ("Trichome") (the "Transaction").

Under the terms of the Arrangement Agreement, the shareholders of MYM will receive 0.022 common shares of IMC ("IMC Shares") for each common share of MYM ("MYM Shares"), representing a price of $0.195 per MYM Share based on respective closing prices of IMC and MYM on March 31, 2021.

The Transaction is subject to customary closing conditions, including receipt of shareholder approval from MYM shareholders and court and regulatory approvals. If the Transaction is completed, MYM is expected to apply to cease being a reporting issuer and to de-list from the Canadian Securities Exchange.

16 Risk Factors

The Company is focused on more select market introduction and development. The failure to generate future sales in the Company's main products could have a significant and adverse effect on the Company.

The Company's success will depend in large measure on certain key personnel. The loss of the services of such key personnel could have a material adverse effect on the Company. The Company does not anticipate having key person insurance in effect for management. In addition, there can be no assurance that the Company will be able to continue to attract and retain all personnel necessary for the development and operation of its business.

The Company has incurred a net loss for the year ended December 31, 2020 of $1,717,080 and has an accumulated deficit of $19,159,556. Management is continuing efforts to attract additional equity and debt capital and implement cost control measures to maintain adequate levels of working capital. Nevertheless, there can be no assurance provided with respect to the successful outcome of these ongoing actions. If the Company is unable to obtain additional financing on reasonable terms, the Company may be required to curtail or reduce its operations to continue as a going concern.

In addition, the Company's limited working capital could affect the Company's ability to seize upon opportunities requiring investment, or to reinvest in its products in a timely manner.

For additional risk information, please refer to the Company's Annual Information Form filed on SEDAR at www.sedar.com.

17 Additional Information

Additional information relating to the Company is available on SEDAR at www.sedar.com