BIOME GROW INC.

("Biome" or the "Company")
Three and Six Months Ended June 30, 2022 and 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

1. DATE OF REPORT: August 29, 2022

The following management's discussion and analysis ("MD&A") has been prepared as of August 29, 2022 and should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2022 and 2021 and accompanying notes therein, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian dollars unless otherwise indicated.

The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively. Periods for the six months ended June 30, 2022 and 2021 are referred to as "YTD 2022" and "YTD 2021", respectively.

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 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 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's principal business activity is pursuing opportunities in the cannabis industry. On May 19, 2017, the Company acquired a 100% interest in Highland Grow Inc. ("HGI"). On July 31, 2020, the Company completed the sale of HGI, receiving shares in MYM Nutraceuticals Inc. ("MYM") as a significant part of the consideration (subsequently converted to shares of IM Cannabis Corp. ("IMC"). The Company's current operations are limited to holding investments in common shares of IMC ("IMC Shares"), which it sells when needed to satisfy its monthly obligations and to pay down its existing liabilities. The Company is actively reviewing opportunities in a variety of industries as part of its restructuring efforts.

In March 2020, the World Health Organization declared the coronavirus COVID-19 a global pandemic. This contagious disease outbreak including variants which continues to spread, and related adverse public health developments, have adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. During 2021 vaccines became available and certain restrictions have begun to ease. The Company and its prior operations had not been drastically impacted by the pandemic, but management continues to monitor the situation.

3. OVERALL PERFORMANCE

During the six months ended June 30, 2022, the Company continued to make efforts to reduce operating costs and settle its liabilities with the cash generated from previous sales of IMC Shares. The Company sold 93,800 shares of its investment in IMC for the net proceeds of $133,270 during the six months ended June 30, 2022.

On July 9, 2021, MYM was acquired by IM Cannabis Corp. ("IMC") and all MYM Shares were converted into common shares of IMC. During the year ended December 31, 2021, the Company sold 5,420,500 shares of MYM for net proceeds of $918,323 and 272,200 shares of IMC for net proceeds $1,244,525 giving a total net proceeds of $2,162,858 to fund operations while it continues to review strategic opportunities.

As at June 30, 2022, the Company held 2,334,905 shares of IMC (December 31, 2021 - 2,434,005) of which, 336,183 remained in escrow (December 31, 2021 - 336,183). The Company owns less than 20% of all issued equity in IMC. In management's view, the Company does not have the power to participate in the financial and operating policy decisions of IMC constituting significant influence.

Summary of quarterly results

	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
	$	$	$	$
Net loss from continuing operations	**(4,537,697)**	(4,024,106)	(862,829)	(4,038,704)
Net income (loss) and comprehensive gain (loss)	**(4,537,697)**	(4,024,106)	(862,829)	(4,038,704)
Basic and diluted loss per share	**(0.04)**	(0.04)	(0.01)	(0.04)
Cash	**114,233**	329,197	582,304	706,732
Total assets	**2,461,185**	7,056,952	11,073,616	12,954,115
Total liabilities	**4,569,608**	4,640,030	4,644,879	5,672,682

	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
	$	$	$	$
Net (loss) income from continuing operations	(12,548,974)	17,310,578	5,010,037	(5,175,714)
Net (loss) income from discontinued operations	-	-	(15,090)	2,267,804
Net (loss) income and comprehensive (loss) income	(12,548,974)	17,310,578	4,994,947	(2,907,910)
Basic and diluted (loss) income per share	(0.11)	0.15	(0.02)	(0.03)
Cash	183,203	368,991	98,113	147,895
Total assets	16,837,843	29,317,111	12,580,607	9,811,615
Total liabilities	5,527,031	5,473,850	6,064,268	8,306,831

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

- During the three months ended June 30, 2022, the Company recorded a $4,195,581 unrealized loss on the change in fair value of its investment in IMC due to a decrease in the share price of IMC during the period.

- During the three months ended March 31, 2022, the Company recorded a $3,813,067 unrealized loss on the change in fair value of its investment in IMC due to a decrease in the share price of IMC during the period.

- During the three months ended December 31, 2021, the Company recorded a $266,511 gain on the sale of its shares of IMC due to the market price at each sale date being higher than the adjusted cost base of the shares.

- During the three months ended March 31, 2021, the Company recorded a $512,554 gain on the sale of its shares of IMC due to the market price at each sale date being higher than the adjusted cost base of the shares.

- During the year ended December 31, 2020, the Company sold its investment in HGI, and entered into an agreement with The Back Home Medical Cannabis Corporation ("Back Home") to dispose of its investment in Back Home.

- During the three months ended December 31, 2020, in connection with the discontinued operations, the Company recorded a $15,090 loss on disposal of Back Home.

- On July 31, 2020, the Company received 42,813,985 MYM commons shares ("MYM Shares") and 132,551,040 exchangeable shares of MYM as consideration for the sale of HGI. On July 9, 2021, MYM was acquired by IMC and all MYM Shares were converted into IMC Shares. The Company received 2,700,905 IMC Shares (of which 336,183 were held in escrow), in exchange for 122,768,413 MYM Shares (which included 15,281,054 Escrow Shares). As at December 31, 2021, the Company held 2,434,005 IMC Shares, of which 336,183 were held in escrow.

- During the three months ended September 30, 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 Shares and MYM convertible shares in the year ended December 31, 2020. The Company recorded a $647,156 gain on settlement of debt.

4. SELECTED QUARTERLY INFORMATION

	Three months ended June 30,	
	2022	2021
	$	$
Operating expenses	**(119,824)**	(177,552)
Other expenses	**(4,417,873)**	(12,371,422)
Net loss and comprehensive loss	**(4,537,697)**	(12,548,974)

During the three months ended June 30, 2022, the Company incurred a net loss and comprehensive loss of $4,537,697 (2021 - $12,548,974).

Highlights during the three months ended June 30, 2022, compared to the three months ended June 30, 2021:

- Operating expenses decreased to $119,824 for the three months ended June 30, 2022, compared to $177,552 for the three months ended June 30, 2021. Significant variances include:

- Professional fees decreased to $57,405 for Q2 2022, compared to $113,062 for Q2 2021 as a result of decreased audit and accounting fees related to the December 31, 2021 year-end audit due to the simplification of the Company's operations.

- Other expenses decreased to $4,417,873 for the three months ended June 30, 2022, compared to $12,371,422 for the three months ended June 30, 2021. Significant variances include:

  - The Company recorded a $122,548 realized loss on the sale of IMC shares for Q2 2022, compared to $nil for Q2 2021, as the Company did not sell any IMC shares during the Q2 2021 period.

  - The Company recorded a $4,195,581 unrealized loss on the change in fair value of its investment in IMC shares due to the decline in share price during Q2 2022. A $12,270,941 unrealized loss on the change in fair value of its investment in IMC shares was recorded for Q2 2021.

5. COMPARISON OF RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021

	2022	2021
	$	$
Operating expenses	**(231,611)**	(275,162)
Other (expenses) income	**(8,330,192)**	5,036,766
Net (loss) income and comprehensive (loss) income	**(8,561,803)**	4,761,604

During the six months ended June 30, 2022, the Company incurred a net loss and comprehensive loss of $8,561,803 (2021 - net income and comprehensive income of $4,761,604).

Highlights during the six months ended June 30, 2022, compared to the six months ended June 30, 2021:

- Operating expenses decreased to $231,611 for the six months ended June 30, 2022, compared to $275,162 for the six months ended June 30, 2021. Significant variances include:

  - Professional fees decreased to $107,010 for YTD 2022, compared to $141,710 for YTD 2021, as a result of decreased audit and accounting fees related to the December 31, 2021 year-end audit due to the simplification of the Company's operations.

  - Insurance increased to $82,191 for YTD 2022, compared to $59,198 for YTD 2021, due to an increase in insurance premiums as the Company entered into a new insurance plan.

  - Accretion expense decreased to $3,883 for YTD 2022, compared to $19,278 for YTD 2021, as the MYM loan reached maturity in January 2022 resulting in the recognition of one month of accretion compared to six months in YTD 2021. Accretion expense is related to the accretion of deferred loan issuance costs related to the MYM loan.

  - Share-based compensation decreased to $24,643 for YTD 2022, compared to $32,869 for YTD 2021, due to the vesting of options granted on July 31, 2020, which occurred during YTD 2021 but not YTD 2022.

- Other expenses were $8,330,192 for the six months ended June 30, 2022, compared to other income of $5,036,766 for the six months ended June 30, 2021. Significant variances include:

  - The Company recorded a $122,548 realized loss on the sale of IMC Shares for YTD 2022, compared to a $512,554 realized gain on investments sold for YTD 2021, due to fluctuations in the share price of IMC.

  - The Company recorded a $8,008,648 unrealized loss on the change in fair value of its investment in IMC shares due to the decline in share price for YTD 2022. A $4,705,357 unrealized gain on the change in fair value of its investment in IMC shares was recorded for YTD 2021 due to an increase in share price of IMC.

6. LIQUIDITY AND CAPITAL RESOURCES

The Company had the following balances and activities during the six months ended June 30, 2022:

- As at June 30, 2022, the Company had total assets of $2,461,185 (December 31, 2021 - $11,073,616) and a working capital deficiency of $2,152,771 (December 31, 2021 - working capital surplus of $6,362,216).

- As at June 30, 2022, the Company had cash of $114,233 and current prepaid expenses and advances of $192,979 (December 31, 2021 - $582,304 and $88,695, respectively).

- As at June 30, 2022, and December 31, 2021, share capital was $23,183,398, comprising 112,417,435 issued and outstanding common shares.

At present, the Company relies on the sale of its investments to generate cash inflows, while the Company actively reviews opportunities in a variety of industries as part of its restructuring efforts.

6.1 Working capital

Working capital as at June 30, 2022, and December 31, 2021, consisted of the following:

	2022	2021
	$	$
Cash	**114,233**	582,304
Restricted cash	**-**	897
Goods and services tax recoverable	**124,956**	86,064
Prepaid expenses and advances – current portion	**192,979**	88,695
Investments	**1,984,669**	10,249,135
Total current assets	**2,416,837**	11,007,095
Accounts payable and accrued liabilities	**1,059,430**	1,138,584
Loans payable	**3,510,178**	3,506,295
Total current liabilities	**4,569,608**	4,644,879
Working capital (deficiency) surplus	**(2,152,771)**	6,362,216

As at June 30, 2022, the Company had a working capital deficiency of $2,152,771 (December 31, 2021 – working capital surplus of $6,362,216). The decrease in working capital was primarily driven by the revaluation of its investment in IMC Shares to $1,984,669 as at June 30, 2022, compared to $10,249,135 as at December 31, 2021.

6.2 Cash flows for the six months ended June 30, 2022 and 2021

	For the six months ended June 30,	
	2022	2021
	$	$
Cash used in operating activities	**(602,238)**	(528,386)
Cash provided by investing activities	**133,270**	923,314
Cash used in financing activities	**-**	(309,374)
Change in cash, for the period	**(468,968)**	85,554

An explanation of cash flows from operations is as follows:

- Operating activities used $602,238 cash during the six months ended June 30, 2022, compared to $528,386 cash used during the six months ended June 30, 2021. The increase in cash used is primarily due to the settlement of accounts payable offset by a continuing effort to reduce operating costs while the Company restructures.

- Investing activities provided $133,270 of cash during the six months ended June 30, 2022, compared to $923,314 cash during the six months ended June 30, 2021, related to the sale of shares held in IMC, which were higher during YTD 2021.

- Financing activities used $nil cash during the six months ended June 30, 2021 as compared $309,374 cash during the six months ended June 30, 2021. The decrease in cash used is due to no repayments towards the IMC Loan and interest payable during the six months ended June 30, 2022, compared to $309,374 during the six months ended June 30, 2021.

6.3 Debt financing

- 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 (January 31, 2022) with an option to extend for an additional 6 months at the sole discretion of the Company upon the Company paying an extension fee (together the “MYM Loan”). The MYM Loan bears interest at a 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 calculated from July 31, 2020 on a monthly basis and payable every fourth months 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.

  During the three and six months ended June 30, 2022, the Company incurred an interest expense of $98,612 and $196,140, respectively (2021 - $98,612 and $203,859, respectively) in connection with this loan. On January 31, 2022, the MYM loan payable matured. IMC (the parent of MYM) and the Company have been renegotiating maturity and terms of the loan. The parties continue to pursue direct settlement talks and court-based remedies to the dispute..

- 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 June 30, 2022, the carrying value of these loans are $1,250,000 (December 31, 2021 - $1,250,000). The MYM loan is senior to the related party advances in terms of creditor hierarchy.

7. MANAGEMENT OF CAPITAL

The Company defines capital as the components of shareholders’ equity. The Company’s objectives when managing capital are to support further advancement of the Company’s business objectives, as well as to ensure that the Company is able to meet its financial obligations as they come due.

The Company considers the aggregate of its share capital, reserves and deficit as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash.

8. DISCLOSURE OF OUTSTANDING SHARE DATA

The Company’s authorized share capital consists of an unlimited number of voting common shares without par value and an 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:

	August 29, 2022
	#
Common shares	112,417,435
Stock options	3,000,000
Warrants	5,357,143
Fully diluted	**120,774,578**

9. 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.

10. RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered 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 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. During the three and six months ended June 30, 2022 and 2021, key management compensation consisted of the following:

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	**2022**	2021
	$	$	**$**	$
Share-based compensation	**12,352**	16,525	**24,643**	32,869
Professional fees	**24,000**	-	**47,000**	-
	36,352	16,525	**71,643**	32,869

The following table summarizes the amounts due to related parties as at June 30, 2022 and December 31, 2021:

	2022	2021
	$	$
Accounts payable and accrued liabilities	**68,000**	220,985
Loans payable	**1,250,000**	1,250,000
	1,318,000	1,470,985

As at June 30, 2022, accounts payable and accrued liabilities include $68,000 due to related parties comprised of the following:

- $60,000 in deferred compensation to directors of the Company related to the sale of HGI. The amount was recorded in salaries, wages and benefits in the consolidated statement of loss and comprehensive loss during the year ended December 31, 2021. The deferred compensation is payable at the earlier of November 5, 2022, or IMC shares trading at greater than $8.86 per share.

- $8,000 for amounts owed to the Chief Executive Officer for current year management fees.

As at June 30, 2022, the Company has loans payable totaling $1,250,000 (December 31, 2021 - $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.

11. PROPOSED TRANSACTIONS

As at June 30, 2022, the Company had no proposed transactions.

12. CRITICAL ACCOUNTING ESTIMATES

The unaudited condensed interim 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 disclosures. Significant estimates in the accompanying unaudited condensed interim consolidated financial statements relate to share-based compensation, warrants, and the estimated deferred tax assets and liabilities. 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 annual financial statements of the Company as at December 31, 2021 and 2020. The unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited annual financial statements for the year ended December 31, 2021 and 2020.

During the six months ended June 30, 2022 and the year ended December 31, 2021, the Company did not adopt any new or amended accounting standards.

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.

As at June 30, 2022 and December 31, 2021, the Company's financial instruments consisted of cash, restricted cash, investments, accounts payable and loans payable.

The Company's financial instruments are classified and measured at amortized cost, with the exception of cash, restricted cash and investments which are classified and measured at fair value through profit and loss. The Company's investments are level 1 in the fair value hierarchy with fair value determined by reference to the closing price of the shares at each reporting date. The carrying value of goods and services tax recoverable, accounts payable and loans payable approximate their respective fair values due to the short-term nature of these instruments.

Financial risk management objectives and policies

The risks associated with the Company's 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 against 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 highly rated 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 June 30, 2022, 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 debt and other accounts payable relative to the sale of investments (marketable securities). Due to the ongoing COVID 19 pandemic, liquidity risk has been assessed as high.

As at June 30, 2022, 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.

The following table summarizes the maturities of the Company's financial liabilities As at June 30, 2022, based on the undiscounted contractual cash flows:

	Carrying value	**Principal amount**	**Less than 1 year**
	$	$	$
Accounts payable and accrued liabilities	1,059,430	1,059,430	1,059,430
Loans payable	3,510,178	3,510,178	3,510,178
Total	**4,569,608**	**4,569,608**	**4,569,608**

(v) Market risk

The Company is exposed to market risk because of the fluctuating values of its publicly traded investment in IMC. The Company has no control over these fluctuations and does not hedge its investments. Based on the June 30, 2022, value of investments, a 10% increase or decrease in the share price of IMC would have impacted profit or loss for the period, up or down, by approximately $198,467 before income taxes.

15. RISK FACTORS

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 losses since its inception and has an accumulated deficit of $27,861,288 as at June 30, 2022 (December 31, 2021 - $19,299,485). There is a material uncertainty related to these conditions that casts 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 realize sufficient cash from the sale of its marketable securities and generate profitable operations in the future.

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.

16. DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized, and reported within the time periods specified by securities regulations and that the information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited condensed interim financial statements for the three and six months ended June 30, 2022 and 2021 and this accompanying MD&A (together, the "Interim Filings"). In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information, the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Annual and Interim Filings on SEDAR at www.sedar.com.

17. ADDITIONAL INFORMATION

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