BIOME GROW INC.

(“Biome” or the “Company”)
Three and nine months ended September 30, 2022 and 2021

MANAGEMENT’S DISCUSSION AND ANALYSIS

1. DATE OF REPORT: November 29, 2022

This Management’s Discussion and Analysis (“MD&A”) has been prepared as of November 29, 2022 and should be read in conjunction with the Company’s unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2022 and 2021 and accompanying notes therein (collectively referred to hereafter as the “interim financial statements”).

The interim financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee. As such, the interim financial statements do not include all of the information required by IFRS for annual financial statements and should be read in conjunction with the Company’s audited consolidated financial statements for the years ended December 31, 2021, and 2020.

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 nine months ended September 30, 2022 and 2021 are referred to as “YTD 2022” and “YTD 2021”, respectively. All amounts are stated in Canadian dollars unless otherwise indicated.

2. FORWARD-LOOKING STATEMENTS

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.

3. NATURE OF BUSINESS

Biome Grow Inc. (the "Company") was incorporated under the laws of British Columbia on December 31, 2013. The head and records office of the Company is 1401-480 University Avenue, Toronto, Ontario. The Company's principal business activity is pursuing opportunities in the cannabis industry.

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.

4. OVERALL PERFORMANCE

During the nine months ended September 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 30,545 shares of its investment in IMC for proceeds of $259,352 during the nine months ended September 30, 2022.

On July 9, 2021, MYM Nutraceuticals Inc. ("MYM") was acquired by 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 proceeds of $918,323 and 27,220 shares of IMC for net proceeds $1,244,525 giving total proceeds of $2,162,858 to fund operations while it continues to review strategic opportunities.

As at September 30, 2022, the Company held 212,326 shares of IMC (December 31, 2021 - 243,401) of which, 33,618 remained in escrow (December 31, 2021 - 33,618). 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. On November 17, 2022, subsequent to the period end, IMC consolidated its issued share capital on a ratio of ten (10) old common shares for every one (1) new post-consolidated common share. All current and comparative references to the number of IMC shares and share price of IMC have been restated to give effect to this share consolidation (the "IMC Share Consolidation").

On July 31, 2020, In connection with the sale of Highland Grow Inc ("HGI"), the Company entered into a loan agreement with MYM which was due to mature in January 2022. Subsequent to September 30, 2022 the parties reached an agreement and extended the maturity of the loan subject to amended terms (refer to the subsequent events section for further details).

Summary of quarterly results

	September 30, 2022	June 30, 2022	March 31, 2021	December 31, 2021
	$	$	$	$
Net loss from continuing operations	**(598,598)**	(4,537,697)	(4,024,106)	(862,829)
Net (loss) income and comprehensive (loss) income	**(598,598)**	(4,537,697)	(4,024,106)	(862,829)
Basic and diluted loss per share	**(0.01)**	(0.04)	(0.04)	(0.01)
Cash	**139,994**	114,233	329,197	582,304
Total assets	**1,726,679**	2,461,185	7,056,952	11,073,616
Total liabilities	**4,424,984**	4,569,608	4,640,030	4,644,879

	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
	$	$	$	$
Net (loss) income from continuing operations	(4,038,704)	(12,548,974)	17,310,578	5,010,037
Net loss from discontinued operations	-	-	-	(15,090)
Net (loss) income and comprehensive (loss) income	(4,038,704)	(12,548,974)	17,310,578	4,994,947
Basic and diluted (loss) income per share	(0.04)	(0.11)	0.15	0.02
Cash	706,732	183,203	368,991	98,113
Total assets	12,954,115	16,837,843	29,317,111	12,580,607
Total liabilities	5,672,682	5,527,031	5,473,850	6,064,268

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

- During the three months ended September 30, 2022, the Company recorded a $218,419 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, offset by a gain on settlement/impairment of accounts payable of $285,652.

- 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 three months ended September 30, 2021, the Company recorded a $234,879 realized gain on IMC shares sold during Q3. The Company did not sell any investments during the Q2 of 2021.

- During the three months ended June 30, 2021, the Company recorded a $12,270,941 loss on the change in fair value of its investment in MYM in the second quarter of 2021. The Company did not sell any marketable securities during the second quarter of 2021

- 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.

5. SELECTED QUARTERLY INFORMATION

	Three months ended September 30, 2022	2021
	$	$
Operating expenses	**(112,955)**	(125,648)
Other expenses	**(485,643)**	(3,913,056)
Net loss and comprehensive loss	**(598,598)**	(4,038,704)

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

- Operating expenses decreased to $112,955 for the three months ended September 30, 2022, compared to $125,648 for the three months ended September 30, 2021. Significant variances include:
  - Insurance increased to $41,072 for Q3 2022, compared to $29,598 for Q3 2021, due to an increase in premiums as the Company entered into a new insurance plan.
  - Salaries and wages decreased to $nil for Q3 2022, compared to $15,703 for Q3 2021 due to a reduction in staffing levels throughout the organization as a result of the discontinued operations.
- Other expenses decreased to $485,643 for the three months ended September 30, 2022, compared to $3,913,056 for the three months ended September 30, 2021. Significant variances include:
  - The Company recorded a $218,419 unrealized loss on the change in fair value of its investment in IMC shares due to the decline in share price during Q3 2022. A $4,044,359 unrealized loss on the change in fair value of its investment in IMC shares was recorded for Q3 2021.
  - The Company recorded a gain on settlement/impairment of accounts payable of $285,652 for Q3 2022, compared to $nil for Q3 2021.
  - The Company recorded a $451,145 realized loss on the sale of IMC shares for Q3 2022, compared to a $234,879 realized gain for Q3 2021.

6. COMPARISON OF RESULTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021

	2022	2021
	$	$
Operating expenses	**(344,566)**	(395,820)
Other (expenses) income	**(8,815,835)**	1,118,720
Net (loss) income and comprehensive (loss) income	**(9,160,401)**	722,900

Highlights during the nine months ended September 30, 2022, compared to the nine months ended September 30, 2021:

- Operating expenses decreased to $344,566 for the nine months ended September 30, 2022, compared to $395,820 for the nine months ended September 30, 2021. Significant variances include:
  - Accretion expense decreased to $3,883 for YTD 2022, compared to $29,892 for YTD 2021, as the MYM loan reached maturity in January 2022 resulting in the recognition of one month of accretion compared to nine months in YTD 2021. Accretion expense is related to the accretion of deferred loan issuance costs related to the MYM loan.
  - Insurance increased to $123,263 for YTD 2022, compared to $88,796 for YTD 2021, due to an increase in premiums as the Company entered into a new insurance plan.

  - Professional fees decreased to $158,435 for YTD 2022, compared to $182,260 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.

  - Share-based compensation decreased to $33,359 for YTD 2022, compared to $42,194 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 $8,815,835 for the nine months ended September 30, 2022, compared to other income of $1,118,720 for the nine months ended September 30, 2021. Significant variances include:

  - The Company recorded a $8,227,067 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 $660,998 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.

  - The Company recorded a gain on settlement/impairment of accounts payable of $285,652 for YTD 2022, compared to $nil for Q3 2021.

  - The Company recorded a $573,693 realized loss on the sale of IMC Shares for YTD 2022, compared to a $742,443 realized gain on investments sold for YTD 2021, due to fluctuations in the share price of IMC.

7. LIQUIDITY AND CAPITAL RESOURCES

The Company had the following balances and activities during the nine months ended September 30, 2022:

- As at September 30, 2022, the Company had total assets of $1,726,679 (December 31, 2021 - $11,073,616) and a working capital deficiency of $2,698,305 (December 31, 2021 - working capital surplus of $6,362,216).

- As at September 30, 2022, the Company had cash of $139,994 and current prepaid expenses and deposits of $271,253 (December 31, 2021 - $582,304 and $88,695, respectively).

- As at September 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.

7.1 Working capital

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

	2022	2021
	$	$
Cash	**139,994**	582,304
Restricted cash	**-**	897
Goods and services tax recoverable	**126,409**	86,064
Prepaid expenses and deposits	**271,253**	88,695
Investments	**1,189,023**	10,249,135
Total current assets	**1,726,679**	11,007,095
Accounts payable and accrued liabilities	**914,806**	1,138,584
Loans payable	**3,510,178**	3,506,295
Total current liabilities	**4,424,984**	4,644,879
Working capital (deficiency) surplus	**(2,698,305)**	6,362,216

As at September 30, 2022, the Company had a working capital deficiency of $2,698,305 (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 $1,189,023 as at September 30, 2022, compared to $10,249,135 as at December 31, 2021.

7.2 Cash flows for the nine months ended September 30, 2022 and 2021

	For the nine months ended September 30,	
	2022	2021
	$	$
Cash used in operating activities	**(702,559)**	(602,588)
Cash provided by investing activities	**259,352**	1,522,165
Cash used in financing activities	**-**	(309,549)
Change in cash and restricted cash, for the period	**(443,207)**	610,028

An explanation of cash flows from operations is as follows:

- Operating activities used $702,559 cash during the nine months ended September 30, 2022, compared to $602,588 cash used during the nine months ended September 30, 2021. The increase in cash used is primarily due to the prepaid deposits due to legal retainers and the operation losses sustained during the period.

- Investing activities provided $259,352 of cash during the nine months ended September 30, 2022, compared to $1,522,165 cash during the nine months ended September 30, 2021, related to the sale of shares held in IMC, which were higher during YTD 2021.

- Financing activities used $nil cash during the nine months ended September 30, 2021 as compared $309,549 cash during the nine months ended September 30, 2021. The decrease in cash used is due to no repayments towards the IMC Loan and interest payable during the nine months ended September 30, 2022, compared to $309,549 during the nine months ended September 30, 2021.

7.3 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 nine months ended September 30, 2022, the Company incurred an interest expense of $99,696 and $295,836, respectively (2021 - $99,969 and $303,554 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. Subsequent to September 30, 2022 the parties reached an agreement and extended the maturity of the loan subject to amended terms (refer to the subsequent events section for further details).

- 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 September 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.

8. MANAGEMENT OF CAPITAL

The Company's capital structure consists of all components of its share capital. 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 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. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future.

There were no changes to the Company's approach to capital management during the nine months ended September 30, 2022. The Company is not subject to externally imposed capital requirements.

9. 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:

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

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. 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 nine months ended September 30, 2022 and 2021, key management compensation consisted of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
	$	$	**$**	$
Share-based compensation	**8,716**	9,325	**33,359**	42,194
Professional fees	**24,000**	-	**71,000**	-
	32,716	9,325	**104,359**	42,194

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

	2022	2021
	$	$
Accounts payable and accrued liabilities	**92,000**	194,324
Loans payable	**1,250,000**	1,250,000
	1,342,000	1,444,324

As at September 30, 2022, accounts payable and accrued liabilities include $92,000 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.

- $32,000 for amounts owed to the Chief Executive Officer for current year professional fees.

As at September 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.

12. PROPOSED TRANSACTIONS

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

13. CRITICAL ACCOUNTING ESTIMATES

The interim 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 interim financial statements relate to share-based compensation, warrants, and the estimated deferred tax assets and liabilities. Actual results could differ from these estimates.

14. 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 interim 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 nine months ended September 30, 2022 and the year ended December 31, 2021, the Company did not adopt any new or amended accounting standards.

15. 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 September 30, 2022 and December 31, 2021, the Company's financial instruments consisted of cash, restricted cash, investments, accounts payable and accrued liabilities and loans payable.

The Company's financial instruments are classified and measured at amortized cost, with the exception of 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.

The carrying value of cash, restricted cash, accounts payable and accrued liabilities and loans payable approximate their fair values due to their short-term to maturity.

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) 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.

(ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet an obligation under contract. Credit risk for the Company is associated with its 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.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. 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.

As at September 30, 2022, the Company did not have derivative financial liabilities with contractual maturities.

(iv) 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 September 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 $118,902 before income taxes.

16. 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 $28,459,886 as at September 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.

17. 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 interim financial statements for the three and nine months ended September 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.

18. ADDITIONAL INFORMATION

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

19. SUBSEQUENT EVENT

On October 4, 2022, the Company signed a loan amendment agreement with the lenders of the MYM Loan, whereby the MYM Loan maturity date has been extended to December 9, 2023, interest will accrue at an annual rate of 8 percent from September 9, 2022 onwards, and on December 31, 2022 the Company is required to pay all accrued and unpaid interest as well as a principal payment of either 5 percent or 10 percent of the principal outstanding. The percentage to be paid is subject to certain conditions including assessment of the weighted-average price of IMC Shares during the last ten trading days of November 2022. Additionally, if at any point during the year ended December 31, 2023 the share price of IMC exceeds $23.50 per share (after the IMC Share Consolidation), the MYM Loan becomes due on demand.