BIOME GROW INC.

Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2023 and 2022

(Unaudited - Expressed in Canadian dollars)

Notice of Disclosure of Non-auditor Review of the Condensed Interim Consolidated Financial Statements for the Three Months Ended March 31, 2023 and 2022

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

The accompanying unaudited condensed interim consolidated financial statements of Biome Grow Inc. for the interim periods ended March 31, 2023 and 2022, have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting,* as issued by the International Accounting Standards Board, and are the responsibility of management.

The independent auditors, Manning Elliot LLP, have not performed a review of these unaudited condensed interim consolidated financial statements.

May 29, 2023

BIOME GROW INC.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian dollars)

	Note	**March 31, 2023**	December 31, 2022
		$	$
ASSETS			
Current			
Cash		**102,289**	101,671
Goods and services tax recoverable		**6,392**	6,392
Prepaid expenses and deposits		**116,091**	80,135
Investments	4	**142,026**	274,462
Total assets		**366,798**	462,660
LIABILITIES			
Current			
Accounts payable and accrued liabilities	5,9	**827,267**	728,939
Loans payable	6,9	**4,222,961**	4,155,137
Total liabilities		**5,050,228**	4,884,076
SHAREHOLDERS' DEFICIENCY			
Share capital	7(b)	**23,183,398**	23,183,398
Reserves		**2,584,261**	2,581,982
Deficit		**(30,451,089)**	(30,186,796)
Total shareholders' deficiency		**(4,683,430)**	(4,421,416)
Total liabilities and shareholders' deficiency		**366,798**	**462,660**

Nature of operations and going concern (Note 1)

Approved and authorized for issue on behalf of the Board of Directors:

/s/ "Khurram Malik"
Director

/s/ "Mark Lievonen"
Director

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

BIOME GROW INC.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian dollars, except number of shares)

	Note	Three months ended March 31, 2023	2022
		$	$
Operating expenses			
Accretion expense		**-**	3,883
Financing expense		**807**	-
Foreign exchange		**69**	-
General and administration		**4,726**	-
Insurance		**56,848**	41,116
Professional fees	9	**81,202**	49,605
Share-based compensation	9	**2,279**	12,291
Transfer agent and listing fees		**14,126**	4,892
		160,057	111,787
Other income (expenses)			
Change in fair value on investments		**(52,325)**	(3,813,067)
Interest expense		**(59,313)**	(99,252)
Realized gain on investments sold		**7,402**	-
		(104,236)	(3,912,319)
Net loss and comprehensive loss		**(264,293)**	(4,024,106)
Net loss per share:			
Basic and diluted		**(0.00)**	(0.04)
Weighted average number of common shares:			
Basic and diluted		**112,417,435**	112,417,435

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

BIOME GROW INC.
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - Expressed in Canadian dollars)

	Three months ended March 31, 2023	2022
	$	$
Operating activities:		
Net loss and comprehensive loss for the period	**(264,293)**	(4,024,106)
Items not affecting cash:		
Accretion expense	**-**	3,883
Share-based compensation	**2,279**	12,291
Change in fair value on investments	**52,325**	3,813,067
Interest expense	**57,306**	99,252
Realized gain on investments sold	**(7,402)**	-
Changes in non-cash working capital:		
Goods and services tax recoverable	**-**	(17,222)
Prepaid expenses and deposits	**(35,956)**	(107,984)
Accounts payable and accrued liabilities	**42,364**	(33,185)
Cash used in operating activities	**(153,377)**	(254,004)
Investing activities:		
Net proceeds on sale of investments	**87,513**	-
Cash provided by investing activities	**87,513**	-
Financing activities		
Proceeds from insurance loan	**91,500**	-
Repayments of insurance loan	**(23,676)**	-
Interest paid on insurance loan	**(1,342)**	-
Cash provided by financing activities	**66,482**	-
Change in cash	**618**	(254,004)
Cash, beginning of period	**101,671**	583,201
Cash, end of period	**102,289**	329,197

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

BIOME GROW INC.
Condensed Interim Consolidated Statements of Changes in Shareholder's Deficiency
(Unaudited - Expressed in Canadian dollars, except number of shares)

	Common shares	Share capital	Reserves	Deficit	Total shareholders' deficiency
	#	$	$	$	$
Balance, December 31, 2021	112,417,435	23,183,398	2,544,824	(19,299,485)	6,428,737
Share-based compensation	-	-	12,291	-	12,291
Net loss and comprehensive loss for the period	-	-	-	(4,024,106)	(4,024,106)
Balance, March 31, 2022	112,417,435	23,183,398	2,557,115	(23,323,591)	2,416,922
Share-based compensation	-	-	24,867	-	24,867
Net loss and comprehensive loss for the period	-	-	-	(6,863,205)	(6,863,205)
Balance, December 31, 2022	112,417,435	23,183,398	2,581,982	(30,186,796)	(4,421,416)
Share-based compensation	-	-	2,279	-	2,279
Net loss and comprehensive loss for the period	-	-	-	(264,293)	(264,293)
Balance, March 31, 2023	**112,417,435**	**23,183,398**	**2,584,261**	**(30,451,089)**	**(4,683,430)**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Biome Grow Inc. (the "Company") was incorporated under the Business Corporations Act of British Columbia on December 31, 2013. The head 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 is listed for trading on the TSX Venture Exchange under the symbol "BIO.CN"

These unaudited condensed interim consolidated financial statements for the three months ended March 31, 2023 and 2022 ("financial statements") have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for at least the next twelve months. As at March 31, 2023, the Company had a working capital deficiency of $4,683,430 (December 31, 2022 - $4,421,416) and an accumulated deficit of $30,451,089 (December 31, 2022- $30,186,796). For the three months ended March 31, 2023, the Company incurred a loss of $264,293 (2022 - $4,024,106). These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. As a result, the Company 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 is dependent upon its ability to generate positive cash flows from operations, and/or raise adequate funding through equity or debt financing to discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

Should the Company be unable to continue as a going concern, asset and liability realization values may be substantially different from their carrying values. These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PREPARATION

a) Statement of compliance

These financial statements were approved by the Board of Directors and authorized for issue on May 29, 2023.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee applicable to the preparation of interim financial statements including International Accounting Standard 34 *Interim Financial Reporting*. These financial statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company's audited financial statements for the years ended December 31, 2022 and 2021 (the "Annual Financial Statements").

b) Basis of presentation

The financial statements have been prepared using the historical cost basis, except for certain financial assets and liabilities which are measured at fair value, as specified by IFRS, as well as information presented in the condensed interim consolidated statements of cash flows.

c) Functional and presentation currency

The functional currency is the currency of the primary economic environment in which an entity operates. All amounts on these financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries.

d) Basis of consolidation

A summary of the Company's subsidiaries included in these financial statements as at March 31,2023 is as follows:

Subsidiaries	Percentage ownership
Cultivator Catalyst Corp.	100%
Great Lake Cannabis Company Inc. (1)	100%
Red Sands Craft Cannabis Corp. (1)	100%
Weed Virtual Retail Inc. (1)	100%

(1) These subsidiaries were dormant during the three months ended March 31, 2023 and the year ended December 31, 2022

(Unaudited - Expressed in Canadian dollars, except where noted)

2. BASIS OF PREPARATION (continued)

Subsidiaries are entities that the Company controls directly. Control is defined as the exposure, or rights to, or variable returns from involvement with an investee and the ability to affect those returns through power over the investee. Power over an investee exists when the Company has existing rights and the ability to direct the activities that significantly affect the investee's returns. This control is generally evidenced through owning more than 50% of the voting rights or currently exercisable potential voting rights of a company's share capital.

All inter-company balances and transactions, including unrealized profits and losses arising from intra-group transactions, have been eliminated upon consolidation. Where necessary, adjustments are made to the results of the subsidiaries and entities to bring their accounting policies in line with those used by the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the preparation of these financial statements are consistent with those applied and disclosed in Note 3 to the Company's Annual Financial Statements. For a complete summary of significant accounting policies, refer to the Company's Annual Financial Statements.

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, and expenses. Management continually evaluates these judgments, estimates and assumptions based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and judgments which may cause a material adjustment to the carrying amounts of assets and liabilities. The Company's interim results are not necessarily indicative of its results for a full year. The critical judgements and estimates applied in the preparation of these financial statements are consistent with those applied and disclosed in Note 3 to the Annual Financial Statements.

4. INVESTMENTS

A summary of the Company's investments is as follows:

	Shares	Escrow shares	Total
	$	$	$
Fair value			
Balance, December 31, 2021	8,830,442	1,418,693	10,249,135
Net proceeds on sales	(261,152)	-	(261,152)
Realized loss on investments sold	(604,620)	-	(604,620)
Change in unrealized fair value on investments	(7,733,912)	(1,374,989)	(9,108,901)
Balance, December 31, 2022	230,758	43,704	274,462
Net proceeds on sales	(87,513)	-	(87,513)
Realized gain on investments sold	7,402	-	7,402
Change in unrealized fair value on investments	(40,559)	(11,766)	(52,325)
Balance, March 31, 2023	**110,088**	**31,938**	**142,026**
Cost			
Balance, December 31, 2021	5,706,098	916,863	6,622,961
Cost of securities sold	(865,773)	-	(865,773)
Balance, December 31, 2022	4,840,325	916,863	5,757,188
Cost of securities sold	(1,680,655)	-	(1,680,654)
Balance, March 31, 2023	**3,159,670**	**916,863**	**4,076,534**

On July 31, 2020, the Company received 4,352,447 MYM Nutraceuticals Inc. ("MYM") shares, 38,461,538 escrow shares and 132,551,040 exchangeable shares of MYM as consideration for the sale of Highland Grow Inc. ("HGI").

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 either exchangeable shares or MYM shares. On May 21, 2021, the Company exchanged the 88,904,428 outstanding exchangeable shares for 88,904,428 MYM shares.

(Unaudited - Expressed in Canadian dollars, except where noted)

4. INVESTMENTS (continued)

On July 9, 2021, MYM was acquired by IM Cannabis Corp. ("IMC") and all MYM shares were converted into common shares of IMC. The Company received 270,091 IMC common shares (of which 33,618 are held in escrow), in exchange for 122,768,413 MYM shares (which included 15,281,054 escrow shares).

On November 17, 2022, IMC completed a consolidation of its common shares on a ten to one basis (the "IMC Share Consolidation"). All IMC share and per share amounts have been retrospectively adjusted to reflect the consolidation. Any references to IMC commons shares are on a post-consolidation basis.

For the three months ended March 31, 2023, the Company recorded a loss on its revaluation of these investments to fair value of $52,325 (2022 - $3,813,067). During the three months ended March 31, 2023, the Company recorded a realized gain on sale of investments of $7,402 (2022 - $nil). As at March 31, 2023, the Company held 149,501 IMC shares (2022 - 243,401), of which 33,618 are IMC escrow shares (2022 - 33,618).

The remaining IMC escrow shares are expected to be released within the next 12 months and have been classified as a current asset along with the IMC common shares on the statement of financial position. The fair value of the Company's investments are estimated using Level 1 inputs.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

A summary of the Company's accounts payable and accrued liabilities is as follows:

	March 31, 2023	December 31, 2022
	$	$
Accrued liabilities	**148,500**	112,000
Deferred compensation	**21,777**	20,000
Interest payable	**113,340**	56,033
Trade payables	**543,650**	540,906
	827,267	728,939

6. LOANS PAYABLE

A summary of the Company's loans payable is as follows:

	MYM Loan	**Related party loan**	**Insurance loan**	**Total**
	$	$	$	$
Balance, December 31, 2021	2,256,295	1,250,000	-	3,506,295
Accretion expense	-	-	-	-
Interest capitalized on loan	581,485	-	-	581,485
Repayment of MYM Loan	(2,901,254)	-	-	(2,901,254)
Loss on extinguishment of debt	63,474	-	-	63,474
Proceeds from Amended MYM Loan agreement	2,905,137	-	-	2,905,137
Balance, December 31, 2022	2,905,137	1,250,000	-	4,155,137
Proceeds from insurance loan	-	-	91,500	91,500
Repayments of D&O insurance loan	-	-	(25,018)	(25,018)
Interest on D&O insurance loan	-	-	1,342	1,342
Balance, March 31, 2023	**2,905,137**	**1,250,000**	**67,824**	**4,222,961**

6. LOANS PAYABLE (continued)

a) MYM Loan

During the three months ended March 31, 2023, the Company incurred $57,307 of interest expense in connection with this loan (2022 - $97,528). 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. On October 4, 2022, the Company signed a loan amended agreement ("Amended MYM Loan") with the lenders of the MYM Loan, whereby the MYM Loan maturity date was extended to December 9, 2023, interest accrues at an annual rate of 8% starting September 9, 2022; and on December 31, 2022, the Company was required to pay all accrued and unpaid interest as well as a principal payment of either 5% or 10% of the principal outstanding. The percentage to be paid was 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 Amended MYM Loan becomes due on demand.

During the three months ended March 31, 2023, no payments related to this loan were made.

b) Related party loan

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 March 31, 2023, the carrying value of these loans are $1,250,000 (December 31, 2022 - $1,250,000). The MYM Loan is senior to the related party advances in terms of creditor hierarchy.

c) Insurance loan

On January 23, 2023, to finance the Company's insurance expenses, First Insurance loaned the Company $91,500 less an initial payment of $9,272 resulting in a total loan payable amount of $82,229. The insurance loan is repayable in monthly payments of $7,873 and subject to an interest rate of 10.58%. The loan matures on December 31, 2023.

During the three months ended March 31, 2023, the Company repaid $15,746, which included interest expense of $1,342 resulting in a remaining balance of $67,824.

7. SHARE CAPITAL

a) Authorized share capital

- Unlimited number of voting common shares without par value.
- Unlimited number of Special Class C Shares without par value subject to special rights and restrictions.
- Unlimited number of Class B Preferred Shares without par values subject to special rights and restrictions.

b) Issued share capital

There were no common share transactions during the three months ended March 31, 2023, or the year ended December 31, 2022.

As at March 31, 2023 and December 31, 2022, there were 112,417,435 common shares outstanding.

c) Stock options

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

There were no stock option transactions during the three months ended March 31, 2023, or the year ended December 31, 2022.

(Unaudited - Expressed in Canadian dollars, except where noted)

7. SHARE CAPITAL (continued)

A summary of the Company's stock options outstanding and exercisable as at March 31, 2023, is as follows:

Expiry date	Weighted average exercise price	Number of options outstanding	Number of options exercisable	Weighted average remaining life
	$	#	#	years
July 31, 2025	0.08	1,500,000	1,500,000	2.34
October 26, 2026	0.05	1,500,000	750,000	3.58
	0.07	**3,000,000**	**2,250,000**	**2.96**

d) Share purchase warrants

There were no share purchase warrants transactions during the three months ended March 31, 2023, or the year ended December 31, 2022.

As at March 31, 2023, the Company had 5,357,143 share purchase warrants outstanding (December 31, 2022 - 5,357,143) and exercisable at an exercise price of $0.28 with a weighted average remaining life of 0.6 years.

8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets 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 March 31, 2023, the Company's financial instruments consisted of cash, investments, accounts payable and accrued liabilities and loans payable.

The Company's financial instruments are classified as and measured at amortized cost, with the exception of investments, which are classified and measured at fair value through profit or loss. The Company's investments are measured at fair value using Level 1 inputs. The fair value of investments is measured based on the quoted market price of the related common shares at each reporting date, and changes in fair value are recognized in profit or loss.

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

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.

a) 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.

b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to fulfill its contractual obligations. Credit risk for the Company is primarily 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. The Company considers the credit risk related to cash to be minimal.

(Unaudited - Expressed in Canadian dollars, except where noted)

8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become 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.

As at March 31, 2023, the Company did not have derivative financial liabilities with contractual maturities.

d) 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 March 31, 2023 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 $14,203 before income taxes.

9. 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, CEO and Chief Financial Officer.

A summary of the Company's related party transactions for the three months ended March 31, 2023 and 2022, is as follows:

	2023	2022
	$	$
Professional fees	**24,000**	23,000
Share-based compensation	**2,279**	12,291
	26,279	35,291

A summary of the Company's amounts payable to related parties is as follows:

	March 31, 2023	December 31, 2022
	$	$
Accounts payable and accrued liabilities	**21,777**	77,777
Loans payable	**1,250,000**	1,250,000
	1,271,777	1,327,777

As at March 31, 2023, accounts payable and accrued liabilities include $21,777 due to related parties comprised of the following:

- $20,000 in deferred compensation to the CEO of the Company.
- $1,777 for owed to the CEO for reimbursement of expenses incurred during the three months ended March 31, 2023.

As at March 31, 2023, the Company has loans payable totaling $1,250,000 (December 31, 2022 - $1,250,000) to an entity under control of a significant shareholder of the Company (Note 6(b)). The balance payable is secured by promissory notes, non-interest bearing and due on demand.

10. MANAGEMENT OF CAPITAL

The Company's capital structure consists of all components of its shareholders equity and loans. 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, enter into loan facilities 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 three months ended March 31, 2023. The Company is not subject to externally imposed capital requirements.