



BIOME GROW INC.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2023 and 2022

(Expressed in Canadian dollars)

BIOME GROW INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2023 and 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") of Biome Grow Inc. and its subsidiaries (the "Company") supplements, but does not form part of, the unaudited condensed interim consolidated financial statements and the notes thereto for the three months and nine months ended September 30, 2023 and 2022 (collectively referred to hereafter as the "Financial Statements"). The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. This MD&A provides management's comments on the Company's operations for the three and nine months ended September 30, 2023 and 2022 and the Company's financial condition as at September 30, 2023, as compared with the prior fiscal period-end. Information in this MD&A is presented as of November 29, 2023.

The Financial Statements have been prepared by management 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 financial statements including International Accounting Standard 34 *Interim Financial Reporting*. All amounts are expressed in Canadian dollars unless otherwise stated. Other information contained in this document has been prepared by management and is consistent with the information contained in the Financial Statements.

The Company's certifying officers are responsible for ensuring that the Financial Statements and MD&A do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made. The Company's certifying officers certify that the Financial Statements together with the other financial information included in the filings fairly present in all material respects the financial condition, financial performance, and cash flows of the Company as of the date of and for the periods presented in the filings.

In this MD&A, the words "we", "us", or "our", collectively refer to Biome Grow Inc and its subsidiaries. The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively. The year-to-date periods ended September 30, 2023 and 2022 are referred to as "YTD 2023" and "YTD 2022", respectively.

The Company's Board of Directors provides an oversight role with respect to all public financial disclosures by the Company.

For a complete understanding of the Company's business environment, risks and uncertainties and the effect of accounting estimates on its results of operations and financial condition, this MD&A should be read together with the Company's Financial Statements.

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.

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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. Other than as required by securities law, the Company undertakes no obligation to update or revise these forward-looking statements to reflect new information, future events or circumstances.

NATURE OF BUSINESS

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"

The Company's current operations are limited to holding investments in IM Cannabis Corp. ("IMC") common shares ("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.

The Company has not generated revenue to date and had an accumulated deficit of \$30,593,244 as at September 30, 2023 (December 31, 2022 - \$30,186,796). These factors form a material uncertainty, which may cast significant doubt upon the Company's ability to continue as a going concern. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

OVERALL PERFORMANCE

During the three and nine months ended September 30, 2023, the Company continued to make efforts to reduce operating costs and settle its liabilities with the cash generated from sales of IMC Shares. The Company sold 136,624 IMC Shares for proceeds of \$165,705 during the nine months ended September 30, 2023.

As at September 30, 2023, the Company held 74,501 IMC Shares (December 31, 2022 - 211,125) of which, 33,618 were held in escrow (December 31, 2022 - 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, IMC completed a consolidation of its common shares on a ten to one basis (the "IMC Share Consolidation"). All IMC common shares and per share amounts have been retrospectively adjusted to reflect the consolidation. Any references to IMC Shares are on a post-consolidation basis.

During the three and nine months ended September 30, 2023, the Company determined that certain historic liabilities met the criteria to become no longer payable (statutorily) and recognized a gain on settlement of \$nil and \$275,652, respectively (2022 - \$285,652 and \$285,652, respectively).

On July 31, 2020, in connection with the sale of Highland Grow Inc ("HGI"), the Company entered into a loan agreement with MYM Nutraceuticals Inc. ("MYM") which was due to mature in January 2022. During the year ended December 31, 2022, the parties reached an agreement and extended the maturity of the loan to December 9, 2023 subject to amended terms.

BIOME GROW INC.**MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the three and nine months ended September 30, 2023 and 2022

QUARTERLY FINANCIAL INFORMATION

The following summarizes quarterly financial results of the Company for the last eight most recently completed quarters:

	Q3 2023	Q2 2023	Q1 2023	Q4 2022
	\$	\$	\$	\$
Net (loss) income and comprehensive (loss) income	(195,317)	53,162	(264,293)	(1,726,910)
Basic and diluted (loss) income per share	(0.00)	0.00	(0.00)	(0.02)
Cash	19,570	26,064	102,289	101,671
Total assets	130,275	220,668	366,798	462,660
Total liabilities	4,948,963	4,848,657	5,050,228	4,884,076

	Q3 2022	Q2 2022	Q1 2022	Q4 2021
	\$	\$	\$	\$
Net loss and comprehensive loss	(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

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, 2023 (Q3 2023), the Company recorded a \$295 gain on the sale of IMC Shares due to the market price at each sale date being higher than the carrying value of the shares and a \$11,447 unrealized loss on the change in fair value on investments in IMC Shares.
- During the three months ended June 30, 2023 (Q2 2023), the Company recorded a \$161 gain on the sale of its IMC Shares due to the market price at each sale date being higher than the carrying value of the shares, a \$275,652 gain on the settlement of accounts payable, and a \$23,621 unrealized gain on the change in fair value on investments in IMC Shares.
- During the three months ended March 31, 2023 (Q1 2023), the Company recorded a \$7,402 gain on the sale of IMC Shares due to the market price at each sale date being higher than the carrying value of the shares, offset by a \$52,325 unrealized loss on the change in fair value on investments in IMC Shares.
- During the three months ended December 31, 2022 (Q4 2022), the Company recorded a \$881,834 unrealized loss on the change in fair value on investments in IMC Shares due to a decrease in the share price of IMC during the period.
- During the three months ended September 30, 2022 (Q3 2022), the Company recorded a \$218,419 unrealized loss on the change in fair value on investments in IMC Shares due to a decrease in the share price of IMC during the period, offset by a gain on settlement of accounts payable of \$285,652.
- During the three months ended June 30, 2022 (Q2 2022), the Company recorded a \$4,195,581 unrealized loss on the change in fair value on investments in IMC Shares due to a decrease in the share price of IMC during the period.
- During the three months ended March 31, 2022 (Q1 2022), the Company recorded a \$3,813,067 unrealized loss on the change in fair value on investments in IMC Shares due to a decrease in the share price of IMC during the period.
- During the three months ended December 31, 2021 (Q4 2021), the Company recorded a \$266,511 gain on the sale of the IMC Shares due to the market price at each sale date being higher than the carrying value of the shares.

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For the three and nine months ended September 30, 2023 and 2022

RESULTS OF OPERATIONS**Q3 2023 compared to Q3 2022**

	Q3 2023	Q3 2022
	\$	\$
Operating expenses	123,467	112,955
Other expenses	71,850	485,643
Net loss and comprehensive loss	195,317	598,598

The Company had a net loss and comprehensive loss of \$195,317 compared \$598,598 in the prior year comparable period. The primary drivers of this increase in net income were as follows:

- Change in fair value of investments resulted in an unrealized loss of \$11,447 compared to \$218,419 in the prior year comparable period due to a less significant decrease in the IMC share price in the current period than in the prior year comparable period.
- Gain on settlement of accounts payable was \$nil compared to \$285,652 in the prior year comparable period due to the settlement of accounts payable balances in the prior year comparable period related to certain historic liabilities which met the criteria to become no longer payable (statutorily).
- Interest expense decreased to \$60,698 compared to \$101,731 in the prior year comparable period due to lower interest rates following the renegotiation of a loan with MYM since the prior year comparable period.
- Realized gain on investments sold was \$295 compared to a realized loss of \$451,145 in the prior year comparable period due to the market price at each sale date being higher than the carrying value of the IMC Shares in the current period while the market price at each sale date was lower than the carrying value of the IMC Shares in the prior year comparable period.

YTD 2023 compared to YTD 2022

	YTD 2023	YTD 2022
	\$	\$
Operating expenses	470,031	344,566
Other income (expenses)	63,583	(8,815,835)
Net loss and comprehensive loss	(406,448)	(9,160,401)

The Company had a net loss and comprehensive loss of \$406,448 compared to \$9,160,401 in the prior year comparable period. The primary drivers of this decrease in net loss were as follows:

- Directors' fees were \$40,000 compared to \$nil in the prior year comparable period due to earlier declaration of directors' fees in the current year.
- Management and administration fees increased to \$128,488 compared to \$87,000 in the prior year comparable period due to additional administration efforts related to a loan with MYM, sales tax claims and investment transactions.
- Change in the fair value of investments resulted in an unrealized loss of \$40,151 compared to \$8,227,067 in the prior year comparable period due to a less significant decrease in the IMC share price in the current period than in the prior year comparable period.
- Interest expense decreased to \$179,776 compared to \$300,727 in the prior year comparable period due to lower interest rates following the renegotiation of a loan with MYM since the prior year comparable period.
- Realized gain on investments sold was \$7,858 compared to a realized loss of \$573,693 in the prior year comparable period due to the market price at each sale date being higher than the carrying value of the IMC Shares in the current period while the market price at each sale date was lower than the carrying value of the IMC Shares in the prior year comparable period.

BIOME GROW INC.**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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LIQUIDITY AND CAPITAL RESOURCES**Working capital**

A summary of the Company's working capital is as follows:

	September 30, 2023	December 31, 2022
	\$	\$
Cash	19,570	101,671
Goods and services tax recoverable	6,392	6,392
Prepaid expenses and deposits	27,849	80,135
Investments	76,464	274,462
Total current assets	130,275	462,660
Accounts payable and accrued liabilities	770,620	728,939
Loans payable	4,178,343	4,155,137
Total current liabilities	4,948,963	4,884,076
Working capital deficiency	(4,818,688)	(4,421,416)

As at September 30, 2023, the Company had a working capital deficiency of \$4,818,688 (December 31, 2022 - \$4,421,416). The decrease in working capital was primarily driven by the revaluation of its investment in IMC Shares to \$76,464 as at September 30, 2023 compared to \$274,462 as at December 31, 2022. In addition, there was a decrease in cash to \$19,570 as at September 30, 2023 compared to \$101,671 as at December 31, 2022 due to ongoing corporate costs and limited cash inflows related to sales of shares of IMC.

Cash flows for the nine months ended September 30, 2023 and 2022

	2023	2022
	\$	\$
Cash used in operating activities	(267,050)	(702,559)
Cash provided by investing activities	165,705	259,352
Cash provided by financing activities	19,244	-
Change in cash, for the period	(82,101)	(443,207)

An explanation of cash flows from operations is as follows:

- Cash used in operating activities decreased to \$267,050 from \$702,559 in the prior year comparable period as a result of management's corporate cost reduction efforts.
- Cash provided by investing activities slightly decreased to \$165,705 compared to \$259,352 in the prior year comparable period and are the result of sales proceeds from the sale of IMC Shares.
- Cash provided by financing activities was \$19,244 compared to \$nil in the prior year comparable period as a result of an insurance loan obtained in the current period.

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 six 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 is payable every fourth month 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.

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During the three and nine months ended September 30, 2023, the Company incurred interest expense of \$58,580 and \$173,831, respectively (2022 - \$99,696 and \$295,836, 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. On October 4, 2022, the parties 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 the 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 nine months ended September 30, 2023, no payments related to this loan were made.

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, 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.

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 and nine months ended September 30, 2023, the Company repaid \$23,619 and \$62,984, respectively, which included interest expense of \$1,024 and \$3,962, respectively, resulting in a remaining balance of \$23,206.

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 nine months ended September 30, 2023. The Company is not subject to externally imposed capital requirements.

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.

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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.

A summary of the number of the Company's issued and outstanding equity instruments is as follows:

	September 30, 2023	Date of this MDA
	#	#
Common shares	112,417,435	112,417,435
Stock options	4,000,000	4,000,000
Warrants	5,357,143	-
	121,774,578	116,417,435

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.

A summary of the Company's related party transactions with key management is as follows:

	Three months ended, September 30,		Nine months ended, September 30	
	2023	2022	2023	2022
	\$	\$	\$	\$
Directors' fees	-	-	40,000	-
Management and administration fees	24,000	24,000	72,000	71,000
Share-based compensation	4,618	8,716	9,176	33,359
	28,618	32,716	121,176	104,359

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

	September 30, 2023	December 31, 2022
	\$	\$
Accounts payable and accrued liabilities	189,777	77,777
Loans payable	1,250,000	1,250,000
	1,439,777	1,327,777

As at September 30, 2023, accounts payable and accrued liabilities include \$189,777 due to related parties comprised of the following:

- \$20,000 in deferred compensation to the Chief Executive Officer of the Company;
- \$40,000 owed to the directors of the Company for board compensation;
- \$128,000 for amounts owed for professional fees to the Chief Executive Officer; and
- \$1,777 owed to the Chief Executive Officer for reimbursement of expenses incurred during the nine months ended September 30, 2023.

As at September 30, 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. The balance payable is secured by promissory notes, non-interest bearing and due on demand.

SUBSEQUENT EVENT

On November 21, 2023, 5,357,143 share purchase warrants with an exercise price of \$0.28 expired.

CRITICAL ACCOUNTING ESTIMATES

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

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 Financial Statements of the Company as at September 30, 2023.

During the nine months ended September 30, 2023 and 2022, the Company did not adopt any new or amended accounting standards.

PROPOSED TRANSACTIONS

The Company has no proposed transactions as at September 30, 2023 or at the date of this report.

FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

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 September 30, 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 as 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.

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.

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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.

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, 2023, the Company did not have derivative financial liabilities with contractual maturities.

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, 2023 value of investments, a 10% increase or decrease in the share price of IMC would have increased or decreased profit or loss for the period by approximately \$7,646 before income taxes.

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 \$30,593,244 as at September 30, 2023 (December 31, 2022 - \$30,186,796). 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.

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, 2023 and 2022, 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.SEDARPLUS.CA.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR+ at www.SEDARPLUS.CA.