

MUSTGROW BIOLOGICS CORP.

(Formerly Duport Capital Ltd.)

Management's Discussion and Analysis

For the Three Months Ended March 31, 2019

General

This management discussion and analysis of financial position and results of operations ("**MD&A**") is prepared as at May 29, 2019 and should be read in conjunction with the consolidated interim financial statements for the three months ended March 31, 2019 and the audited financial statements for the year ended December 31, 2018 and related notes of MustGrow Biologics Corp. (formerly Duport Capital Ltd.) (the "**Company**" or "**Duport**"). The interim condensed financial statements, including comparatives, were prepared in accordance with the International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board ("**IASB**") and interpretations of the IFRS Interpretations Committee ("**IFRIC**").

Management is responsible for the preparation and integrity of the Company's consolidated financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the financial statements and MD&A, is complete and reliable.

All dollar amounts included therein and in the following MD&A are expressed in Canadian dollars except where noted. This discussion contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made. Additional information on the Company is available for viewing on SEDAR at www.sedar.com.

Description of Business

On March 13, 2018 the Company completed a three-corned amalgamation (the "**Amalgamation**") pursuant to an amalgamation agreement between the Company, MPT Mustard Products & Technologies Inc. ("**MPT**") and 102023826 Saskatchewan Ltd. ("**Subco**"). Pursuant to the terms of the amalgamation agreement the Company acquired all of the issued and outstanding MPT common shares and MPT common share purchase warrants in exchange for the Company's common shares and common share purchase warrants and MPT and Subco amalgamated pursuant to the provisions of *The Business Corporations Act* (Saskatchewan). The Company issued one common share for every two MPT common share and one warrant for every two MPT warrants, for aggregate consideration of 10,454,154 common shares (post-

consolidation) of the Company and 1,289,837 warrants of the Company being issued to the MPT shareholders and warrant holders.

On March 29, 2018 the Company changed its name to MustGrow Biologics Corp.

The Company was previously a business development services company. Following the Amalgamation, the company is now a technology development company developing new, novel, natural biopesticide products from mustard seed.

Share Issuances

On February 19, 2018, Duport issued 14,429,654 additional shares then completed a 3.3:1 share consolidation, resulting in a total of 6,098,888 number of shares outstanding immediately before the Amalgamation.

On March 12, 2018, the Company completed an approximate 3.3:1 consolidation of common shares.

On March 13, 2018, the Company issued 10,454,454 common shares pursuant to the Amalgamation. The Amalgamation was deemed to be a reverse takeover of the Company by MPT. Accordingly, for accounting purposes, MPT was deemed to issue 6,098,888 shares to acquire the Company.

On March 20, 2018, the Company completed an issuance of 6,720,000 units (the "Unit Offering") consisting of one common share and one warrant to purchase one common share at \$0.35 per share (the "Unit"). Issue price was \$0.25 per Unit. Proceeds net of issuance costs were \$1,463,530.

On March 12, 2018, the Company issued 1,289,837 warrants (each to purchase one common share) pursuant to the Amalgamation. 789,837 such warrants had exercise prices of \$1.00 to \$1.20 per share and expired between June and September 2018. 500,000 of such warrants have an exercise price of \$0.30 per share and expire 36 months following the date the Company becomes listed on the Canadian Stock Exchange.

On March 20, 2018, the Company issued 6,720,000 warrants pursuant to the Unit Offering. Each warrant entitles the holder to purchase one common share at \$0.35 per share until March 19, 2020.

Pursuant to the Unit Offering on March 20, 2018, the Company issued 537,600 unit warrants to intermediaries as compensation for Unit placement. Each warrant entitles the holder to purchase one Unit at \$0.25 per Unit until March 19, 2020.

On October 30, 2018, the Company issued 1,400,000 Share Warrants to a financial advisor in exchange for services. Such warrants have an exercise price of \$0.35, expire March 20, 2020 and vest 50% immediately and 50% on March 1, 2019.

On December 17, 2018, the Company issued 2,200,000 options to directors, officers and consultants of the Company. Such options had an exercise price of \$0.25, a contractual life of five years and were vested 25% immediately and 25% on each of the next three anniversaries of issuance.

The Company completed a private placement of common shares and issued 1,662,533 shares on March 12, 2019 and 50,000 shares on March 13, 2019, in the aggregate amount of 1,712,533 shares, at \$0.70 per common share for gross proceeds of \$1,198,773 (the "March 2019 Private Placement"). Net proceeds after share issuance costs were \$1,151,532.

Results of Operations, Cash Flows and Financial Position

Following the Unit Offering, the Company incurred administrative, corporate communications and professional fees related to preparation of a non-offering preliminary prospectus ("**Prospectus**") for the purpose of providing full public disclosure pursuant to the Company's application to list its common shares on the Canadian Securities Exchange. This Prospectus was filed on March 25, 2019 with the financial regulators in each of Saskatchewan, Alberta and British Columbia. The Prospectus is currently under review, pending approval. No securities are being offered pursuant to the Prospectus.

For the three months ended March 31, 2019, the Company incurred a loss of \$284,830 compared to a loss of \$1,212,765 for the three months ended March 31, 2018.

The decrease in the loss for the three-month period is due to the large listing fees related to the Amalgamation in 2018 as well as higher corporate communications costs following the Unit Offering in 2018. This was offset by increased office and administration and professional fees in 2019 related to the increased activity level of the Company made possible by the Unit Offering and the Company's Prospectus filing activities.

Cash used in operating activities for the three months ended March 31, 2019 was \$257,558 compared to \$397,083 for the three months ended March 31, 2018. This decrease was due to the higher net loss in the 2018 period, not including listing fees which are a non-cash expense.

Cash provided by financing activities for the three months ended March 31, 2019 was \$1,151,532 compared to \$1,468,520 for the three months ended March 31, 2018. These amounts relate to the March 2019 Private Placement and the Unit Offering, respectively.

Total assets increased to \$1,415,320 at March 31, 2019 compared to \$534,278 at December 31, 2018 due to the cash raised on the March 2019 Private Placement.

Total liabilities decreased from \$1,019,832 at December 31, 2018 to \$1,008,360 at March 31, 2019 due to the decrease in accounts payable and accrued liabilities, offset by the increase in long-term debt related to interest accretion.

Selected Quarterly Information

The following selected financial data has been prepared in accordance with IFRS and should be read in conjunction with the Company's financial statements. Results prior to March 31, 2018 are those of MPT on a non-consolidated basis. All dollar amounts are in Canadian dollars. Selected quarterly information was restated to reflect the listing fee resulting from the Amalgamation and finance costs related to adjustments to the accounting for long-term debt obligations.

Quarter Ended	Revenue \$	Income (loss) for the period \$	Income (loss) per Share (Basic & Diluted) \$
March 31, 2019	0	(284,830)	(0.01)
December 31, 2018	2,000	(280,778)	(0.01)
September 30, 2018	0	(223,156)	(0.01)
June 30, 2018	0	(176,678)	(0.01)
March 31, 2018	0	(1,212,765)	(0.10)
December 31, 2017	0	(109,209)	(0.01)
September 30, 2017	0	(94,807)	(0.00)
June 30, 2017	2,102	(75,841)	(0.00)

The Unit Offering completed in March 2018 generated cash flows which significantly increased assets and allowed the Company to increase its activity level, resulting in increased net losses for periods subsequent to March 31, 2018. The loss for the three months ended March 31, 2018 includes non-cash listing fees of \$885,983 resulting from the Amalgamation.

Financial Condition, Liquidity and Capital Resources

The Company's working capital at March 31, 2019 was \$789,231 including cash of \$1,401,303. The Company does not generate positive cash flows. The Company is reliant on equity financing or shareholder loans to provide the necessary cash to acquire or participate in an active business. There can be no assurance that equity financings will be available to the Company in the future that will be obtained on terms satisfactory to the Company.

The Company has not entered into any off-balance sheet arrangements.

Related Party Transactions

During the three months ended March 31, 2019, the Company incurred professional fees of \$99,000 (2018 – \$30,000) to directors and officers of the Company.

During the three months ended March 31, 2019, stock-based compensation related to stock options issued to directors and officers of the Company totaled \$25,812 (2018 – nil).

As at March 30, 2019 there was \$12,680 (December 31, 2018 – \$11,613) payable to directors and officers of the Company.

As at March 31, 2019 and December 31, 2018 there was \$205,734 owing to a related party, which is a shareholder of the Company. The amount is unsecured and payable seven days following the substantial sale of all of the assets of the Company. Notwithstanding, the Company intends to repay the amount when cash flow permits and therefore classifies the amount as a current liability. There are no restrictions on prepayment nor any prepayment penalty.

Financial Instruments and Risk Management Fair Values

The fair values of cash and equivalents, receivables and trade payables approximate their book values because of the short-term nature of these instruments.

(a) Financial Risk Management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company considers the fluctuations of financial markets and seeks to minimize potential adverse effects on financial performance.

(b) Financial Instrument Risk Exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

Credit Risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk includes cash and receivables. The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions. The Company does not have any receivables, and anticipates any future receivables will consist primarily of tax receivables due from federal government agencies. The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities.

Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. Such fluctuations may be significant, but the Company is not currently subject to any such risks in a material way.

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(b) Foreign currency risk

The Company is not exposed to any material foreign currency risk on fluctuations in exchange rates.

(c) Price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Contingencies

The Company is not aware of any contingencies or pending legal proceedings as of the date of this MD&A.

Additional share information

As at March 31, 2019 the Company had outstanding:

- (i) 24,985,575 common shares;
- (ii) 8,620,000 warrants, options or other securities convertible into shares;
- (iii) 2,200,000 stock options convertible into shares; and

(iii) 537,600 warrants convertible in to Units consisting of one share and one warrant to purchase one share at \$0.35.

Disclaimer

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. It should be read in conjunction with all other disclosure documents provided by the Company, which can be accessed at www.sedar.com. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

Cautionary Statement on Forward Looking Information

Certain statements contained in this document constitute "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressly stated or implied.