MUSTGROW BIOLOGICS CORP.

Management's Discussion and Analysis

For the Three Months Ended March 31, 2021

General

This management discussion and analysis of financial position and results of operations ("**MD&A**") is prepared as at May 27, 2021 and should be read in conjunction with the unaudited consolidated financial statements for the three months ended March 31, 2021 and related notes of MustGrow Biologics Corp. (the "**Company**"). The audited consolidated financial statements were prepared in accordance with 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.

History and Description of Business

On March 13, 2018 the Company completed a three-cornered 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.

On January 1, 2020, the Company and its wholly owned subsidiary, MPT, amalgamated and continued operations as MustGrow Biologics Corp.

On May 7, 2020, the Company formed a wholly owned subsidiary, MustGrow Biologics Columbia S.A.S. to pursue market opportunities in South America.

The Company is now a publicly traded (CSE: MGRO) (OTC: MGROF) (FRA: 0C0) agricultural biotechnology company focused on providing natural science-based biological solutions for high value crops and other industries. MustGrow has designed and owns a United States EPA-approved biopesticide that uses the mustard seed's natural defense mechanism to protect plants from soil borne microbial diseases and insect pests. Approximately 110 independent tests have been completed, validating MustGrow's safe and effective technology. This technology, in granule format, is EPA-approved across all key U.S. states as a biopesticide and is designated by Health Canada's PMRA (Pest Management Regulatory Agency) as biopesticide. MustGrow has now concentrated a new liquid format to be applied through injection, standard drip or spray equipment, improving functionality and performance features. EPA-approval for the new liquid formulation is in process.

Operations

The Company is developing natural, plant-based biological solutions to replace synthetic chemicals used in high value crops. The Company's technology pipeline is presented below and describes, for each product, the stage of development and the steps to reach regulatory approval, which will facilitate commercial sales.

<u>Technology Pipeline</u>

PRODUCT	TARGET	ESTIMATED MARKET SIZE / LOSS	PROOF OF CONCEPT Laboratory	EARLY DEVELOPMENT Greenhouse	ADVANCED DEVELOPMENT Field Trials	REGISTRATION Pre-Launch
Preplant Soil Biofumigant	Soil-borne diseases and pests					
Fruits & Veg, Turf & Ornamental, Tobacco, Potatoes	Fusarium, Botrytis, Verticillium, Rhizoctonia, Pythium, Phytophthora, Sclerotinia, Nematodes, etc.	**US$1.3 Billion** Estimated Global Market Size in Fruit & Veg				***TerraMG*** *US-EPA registration in process*
Bananas	Fusarium wilt TR4	**US$18 Billion** Estimated Global Loss				
Canola	Clubroot Disease (*Plasmodiophora brassicae*)	**C$500 Million** Estimated Economic Loss in Canada				
Pulse Crops: Peas, Lentils, Legumes, etc.	Aphanomyces	**C$100 Million** Estimated Economic Loss in Canada				
Bioherbicide	High value herbicide markets	**US$35 Billion** Estimated Global Market Size				
Postharvest Food Preservation	Storage biopesticide and food preservation					
Potato & Vegetable Sprout Inhibitor*	Sprouting, diseases and pests	**US$100 Million** Estimated Global Market				
Biopesticide for Bulk Grain*	Mycotoxins and pests	**US$15 Billion** Estimated Global Loss				
Biopesticide for Shipping Containers*	Diseases and pests	**US$2 Billion** Estimated Global Market Size				
Biopesticide for Food-Borne Pathogens*	E.coli, Salmonella, Listeria, Staphylococcus	**US$15 Billion** Estimated Global Market Size				

Source: Globenewire, 3rd Party Ag Market Researcher, MustGrow estimates.
**Literature shows AITC has application in these areas. MustGrow is looking forward to testing its natural AITC technologies.*

Financing Activities

For the year ended December 31, 2020, the Company realized proceeds of $1,826.807 on issuance of 4,167,765 common shares related to exercise of warrants and stock options.

During the three months ended March 31, 2021, the Company realized proceeds of $1,036,324 on issuance of 2,262,647 common shares related to exercise of warrants.

Results of Operations

For the three months ended March 31, 2021 and 2020, the Company incurred losses of $612,262 and $732,503, respectively. The variation from year to year was driven primarily by the expense levels presented in the table below and the gain on extinguishment of debt of $105,194 in 2020.

	Three months ended March 31,	
	2021	2020
Expenses		
Research and development	$ 96,621	$ 26,161
Regulatory	16,147	13,655
Corporate communications	37,310	366,378
Transfer agent and exchange fees	54,272	22,531
Office and administration	167,538	167,154
Marketing and promotion	129,571	67,065
Patent expenses	13,979	16,051
Professional fees	24,808	26,387
Stock-based compensation	59,807	121,105
Total Expenses	$ 600,053	$ 826,487

Research and development expenses include costs related to identification and extraction of bio-pesticide and bio-herbicide compounds from mustard seed, formulation of these compounds into biologic products and testing of these products on various microbial diseases, insect pests and weeds in laboratory, greenhouse and field settings. Research and development expenses increased in 2021 as the Company increased process development and trial activity on the products and crops identified in the product pipeline above.

Regulatory expenses include renewal fees for existing product registrations and fees paid to expert consultants working with regulatory bodies to achieve registration of the Company's new products.

Corporate communications expenses consist of fees paid to consultants to provide, amongst other services, the following:

- Educating customers, investors and the general public on the Company's products and technology;

- Communications with potential strategic partners, financial market participants and the research and development community relating to the Company's products, technology trials and demonstrations;
- Investigation and acquisition of projects and intellectual property; and
- Development of information packages, presentation materials, traditional and digital media services, editorials, industry commentary and interviews describing the Company, its products and the target markets.

Corporate communications expense decreased in 2021 due to the following:

- Non-recurring services and communication obligations arising from the expanded shareholder base following the 2019 Unit Offering, which were included in the 2020 results; and
- Increased communications resulting from the listing of the Company's common shares on the OTC and Frankfurt stock exchange, which were included in the 2020 results.

Transfer agent and exchange fees increased in 2021 over 2020 as a result of the Company upgrading it's listing on the OTC from OTCQB to OTCQX.

The primary components of office and administration expenses are as follows.

	Three months ended	
	2021	2020
Office and administration		
Management compensation	$ 145,158	$ 147,574
Rent	11,986	16,663
Office expenses	10,394	2,917
	$ 167,538	$ 167,154

Marketing and promotion expenses include trade shows, travel and consulting fees paid to market development representatives. Consulting fees and promotional expenses increased as the Company increased product development and trial work, which required increased communication of results.

Stock-based compensation was higher in the 2020 period due to issuance of warrants to the Company's outside consultants. Such warrants were issued in lieu of cash compensation.

Cash Flows and Financial Position

Cash used in operating activities for the three months ended March 31, 2021 and 2020 was $575,432 and $934,091, respectively. The higher level of expenditure in the 2020 period was due to non-recurring services and communication obligations arising from the expanded shareholder base following the 2019 Unit Offering.

Cash provided by financing activities for the three months ended March 31, 2021 and 2020 was related to exercise of warrants and was $1,036,324 and $383,441, respectively.

Total assets increased to $3,874,278 at March 31, 2021 from $3,372,050 at December 31, 2020 due to cash realized on exercise of warrants offset by cash used to fund operations.

Total liabilities increased to $1,065,434 at March 31, 2021 from $1,047,075 at December 31, 2020 due to accretion of the Saskatchewan Minister of Agriculture loan.

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. All dollar amounts are in Canadian dollars.

Quarter Ended	Revenue $	Income (loss) for the period $	Income (loss) per Share (Basic & Diluted) $
March 31, 2021	0	(612,262)	(0.01)
December 31, 2020	0	(877,143)	(0.02)
September 30, 2020	0	(625,767)	(0.02)
June 30, 2020	0	(1,074,514)	(0.03)
March 31, 2020	0	(732,502)	(0.02)
December 31, 2019	0	(485,972)	(0.02)
September 30, 2019	0	(409,891)	(0.02)
June 30, 2019	0	(337,345)	(0.01)

The Company is not currently subject to seasonality fluctuations and the variation in loss for the quarterly periods reflects increased or decreased levels of research and product development activity. The increased loss for the quarter ended June 30, 2020 was due to increased stock-based compensation related to warrant and stock option issuances in the period.

Financial Condition, Liquidity and Capital Resources

The Company's working capital at March 31, 2021 was $3,191,116 including cash of $3,773,689. 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, 2021, the Company incurred consulting fees and office rent of $149,657 (2020 – $152,074) to companies controlled by directors and officers of the Company.

During the three months ended March 31, 2021, stock-based compensation related to stock options issued to directors and officers of the Company totaled $24,694 (2020 – $16,411).

At March 31, 2021 there was $18,926 accrued and payable to companies controlled by directors and officers of the Company (2020 – $19,459).

At March 31, 2021 there was $36,750 of prepaid expenses made to companies controlled by directors and officers of the Company (2020 – nil).

Financial Instruments and Risk Management Fair Values

The fair values of cash and equivalents, receivables, trade payables and long-term debt approximate their fair values because of their nature and relatively short maturity dates or durations. The long-term debt is valued using a discounted cash flow model taking into consideration the current market interest rate of interest with similar term to maturity and the Company's current credit quality. As at March 31, 2021, the fair value of the long-term debt is $708,711 (December 31, 2020 - $696,503).

(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 of Directors 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 receivables 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, 2021 the Company had outstanding:

(i) 42,755,496 common shares;

(ii) 4,095,764 warrants convertible into common shares; and

(iii) 3,675,000 stock options convertible into common shares.

COVID-19 Pandemic

The outbreak of COVID-19 has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. The duration and impact of the COVID-19 outbreak is not known at this time, nor is the efficacy of the government and central bank monetary and fiscal interventions designed to stabilize economic conditions. As a result, it is not possible to reliably estimate the length and severity of these developments or the impact on the financial position and financial results of the Company in future periods.

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.