



MUSTGROW BIOLOGICS CORP.

Annual Information Form

For the year ended December 31, 2020

August 25, 2021

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MEANINGS OF CERTAIN REFERENCES

In this annual information form ("AIF"), references to the "Company", "MustGrow", "we", "us", "our" or "its" are references to MustGrow Biologics Corp. References to "management" in this AIF mean the persons acting in the capacities of MustGrow's Chief Executive Officer, Chief Financial Officer and Chief Operating Officer. Any statements in this AIF made by or on behalf of management are made in such persons' capacities as officers of MustGrow and not in their personal capacities. In this AIF, unless the context suggests otherwise, the term "Company" includes the Company's predecessors.

This AIF may contain company names, product names, trade names, trademarks and service marks of other organizations, all of which are the property of their respective owners.

FORWARD-LOOKING STATEMENTS

Certain statements in this AIF may constitute "forward-looking information" or "forward-looking statements" within the meaning of applicable securities laws (collectively, "**forward-looking statements**"), which are based upon the Company's current internal expectations, estimates, projections, assumptions and beliefs. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements or industry results to be materially different from any future results, performance or achievements or industry results expressed or implied by such forward-looking information or financial outlook. Forward-looking statements are identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will", "would", and similar terms and phrases, including references to assumptions. Such information may involve, but is not limited to, comments with respect to strategies, expectations, planned operations or future actions.

The forecasts and projections that make up the forward-looking statements in this AIF are based on assumptions which include, but are not limited to: the Company's ability to obtain and protect its intellectual property and other proprietary rights including patents and trade secrets; the Company's ability to continue investment and pursue research and development opportunities; the Company's ability to continue as a going concern; develop and commercialize, or otherwise monetize, its product candidates and develop new products; competing successfully against its competitors; the success of its product candidates and any new products; robustness of the Company's information technology system and ability to safeguard against security breaches; general business and economic conditions; effectiveness of any of the Company's products; the assumption that the Company's current good relationships with its collaborators and other third parties will be maintained; the availability of financing on reasonable terms; the Company's ability to attract and retain skilled staff; the products and technology offered by the Company's competitors; the impact of COVID-19 on the Company; the ability of the Company to manage any risks relating to international operations and business; and ability to obtain regulatory approvals and manage regulatory risks.

The forward-looking statements in this AIF are subject to risks, uncertainties and other factors that could cause actual results to differ materially from historical results or results anticipated by the forward-looking statements. The factors which could cause results to differ from current expectations include, but are not limited to: the Company's recurring operating losses and negative cash flows; lack of expectations of generating revenues in the near future; any failure to maintain or establish satisfactory supply or manufacturing arrangements; any failure of the Company's product candidates to receive regulatory approval or be commercially viable; any delays or failures in testing and commercialization; the adverse impact on future commercialization efforts from negative results from trials or studies of others; intense competition from corporations with greater resources and experience; any misconduct or improper activities of the Company's employees; dependence on management and key personnel; any failure of collaboration agreements; any failure to protect our intellectual property; any failure of product development to proceed as intended, or at all; any insufficiency of insurance coverage; any changes in laws, regulations and guidelines; any deficiencies in disclosure controls and procedures and internal controls over financial reporting; any cyber-security breaches; any failure of the Company's information technology systems; products recalls; the possible future international expansion of the Company, the volatility and fluctuation of the market price for the common shares of the Company (the "**Common Shares**"); the possible future dilution of shareholders; the subordination of shareholders to the Company's lenders; the senior ranking of future offerings of debt and equity securities to that of Common Shares, the negative impact of future sales of Common Shares by officers and directors on the market price for the Common Shares; the fact that there is no assurance of an active and liquid market for the Company's securities; the Company's limited

operating history; the fact that there is no assurance of the Company's future profitability; the risks associated with revenue generation and liquidity levels; the fact that the Company does not currently pay dividends and has no history of paying dividends; and the risks associated with the potential impacts of the COVID-19 pandemic on the general business of the Company. For additional information with respect to risks and uncertainties, readers should carefully review and consider the risk factors described under the section "*Risk Factors*" and elsewhere in this AIF. The information contained in this AIF identifies additional factors that could affect the operating results and performance of MustGrow. Shareholders and prospective investors are urged to carefully consider those factors.

Readers are cautioned that the preparation of financial statements in accordance with International Financial Reporting Standards ("**IFRS**") requires MustGrow's management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses.

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. Forward-looking statements reflect management's current beliefs and are based on information currently available to MustGrow. The forward-looking statements are made as of the date of this AIF (or in the case of information contained in a document incorporated by reference herein, as of the date of such document), and MustGrow assumes no obligation to publicly update or revise such forward-looking information to reflect new information, subsequent or otherwise, except as may be required by applicable securities law.

DATE OF INFORMATION

The information in this AIF is presented as of August 25, 2021, unless otherwise indicated.

PRESENTATION OF FINANCIAL INFORMATION

Unless otherwise indicated, all references to "\$" or "dollars" are to Canadian dollars, which is MustGrow's functional currency. The financial year end of MustGrow is December 31. MustGrow's financial statements are prepared in accordance with IFRS.

THIRD PARTY INFORMATION

Market and industry data contained in this AIF were obtained from third party sources, such as government or other industry publications and reports, journals, studies and publications, websites and other publicly available information or based on estimates derived from same and management's knowledge of, and experience in, the agricultural biotechnology industry, markets and economies in which the Company operates. Government and industry publications and reports generally indicate that information has been obtained from sources believed to be reliable, but do not guarantee the accuracy and completeness of such information. The Company believes that the industry, market and economic data presented throughout this AIF is accurate and, with respect to data prepared by the Company or on the Company's behalf, that the Company's opinions, estimates and assumptions are currently appropriate and reasonable, but there can be no assurance as to the accuracy or completeness thereof. Further, certain of these organizations are participants in, or advisors to participants in, the agricultural biotechnology industry, and they may present information in a manner that is more favourable to the industry than would be presented by an independent source. Actual outcomes may vary materially from those forecasted in such reports or publications, and the prospect for material variation can be expected to increase as the length of the forecast period increases. While the Company believes this data to be reliable, the Company has not independently verified any of the data from third party sources referred to in this AIF, analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying industry. Market, economic, industry data and other assumptions relied upon by such sources are subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey.

CORPORATE STRUCTURE

Name, Address and Incorporation

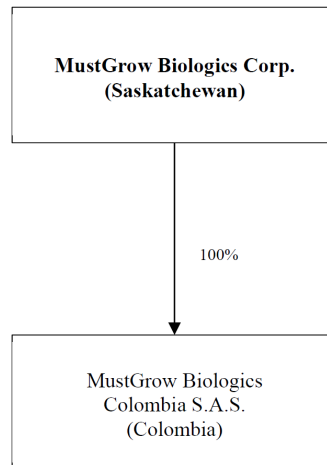
MustGrow was incorporated as 1020673 B.C. Ltd. under the *Business Corporations Act* (British Columbia) ("**BCBCA**") on December 2, 2014. On January 19, 2016, MustGrow changed its name to Duport Capital Ltd. and on March 29, 2018, it changed its name to MustGrow Biologics Corp. On August 18, 2018, MustGrow continued from under the BCBCA to the *Business Corporations Act* (Saskatchewan) ("**SBCA**").

The common shares of MustGrow (the "**Common Shares**") are listed on the Canadian Securities Exchange ("**CSE**") under the ticker symbol "MGRO", the OTCQX under the ticker symbol "MGROF" and the German Frankfurt exchange under "OC0". MustGrow is a reporting issuer in the provinces of British Columbia, Alberta, Saskatchewan, and Ontario.

The Company's head office is located at 1005 – 201 1st Ave. S., Saskatoon SK S7K 1J5 and its registered and record office at 800, 230 – 22nd St. E., Saskatoon SK S7K 0E9.

Intercorporate Structure

As at the date of this AIF, the Company has one wholly-owned subsidiary, MustGrow Biologics Colombia S.A.S ("**MustGrow Colombia**"). MustGrow Colombia was incorporated in May 7, 2020. The following chart illustrates, as of the date of this AIF, the Company's corporate structure:



On March 14, 2018, the Company completed a triangular amalgamation (the "**Amalgamation**"), pursuant to an amalgamation agreement (the "**Amalgamation Agreement**") between the Company, its wholly owned subsidiary, 102023826 Saskatchewan Ltd. ("**Subco**") and MPT Mustard Products & Technologies Inc. ("**MPT**"). Pursuant to the terms of Amalgamation Agreement, Subco and MPT amalgamated under the SBCA and the amalgamated company retained the name "MPT Mustard Products & Technologies Inc." and remained a wholly-owned subsidiary of the Company. On January 1, 2020, the Company vertically amalgamated with MPT and the amalgamated entity continued the business of the Company under "MustGrow Biologics Corp.".

GENERAL DEVELOPMENT OF THE BUSINESS

Three-year History

This section describes how the Company's business has developed over the last three completed financial years.

2018

On February 19, 2018, the Company raised \$215,444 through the sale and distribution of 14,429,654 Shares at \$0.015 per Share.

On March 12, 2018, in connection with the Amalgamation, the Company consolidated its 20,126,254 Shares at a ratio of 3.3:1 and following such consolidation had 6,098,888 Shares issued and outstanding.

The Company completed a non-brokered 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.

On March 14, 2018, the Company completed the Amalgamation and issued 10,454,154 Shares and 1,289,837 common share purchase warrants of the Company (the "**Warrants**") to former securityholders of MPT in connection therewith. See "*Corporate Structure – Intercorporate Structure*".

On March 15, 2018, each of Laurie Sadler, Michael Siefert and Jeffrey Lightfoot resigned as directors and Corey Giasson, Brad Munro and Colin Bletsky were appointed as interim directors, and Corey Giasson was appointed as the CEO and CFO of the Company. At the Company's annual general and special meeting held on May 31, 2018, the shareholders appointed Corey Giasson, Brad Munro, Colin Bletsky, Tom Flow and Matt Kowalski to the board of directors.

On March 20, 2018, the Company completed a private placement of 6,720,000 units of the Company (the "**2018 Units**") at a price of \$0.25 per 2018 Unit (the "**March 2018 Offering**") for aggregate gross proceeds of \$1,680,000. Each 2018 Unit is comprised of one Common Share and one Warrant (the "**2018 Warrants**"). Each 2018 Warrant entitled the holder thereof to acquire one Common Share for 24 months from the closing of the March 2018 Offering at an exercise price of \$0.35 per Common Share. In connection with the March 2018 Offering, the Company issued to brokers an aggregate of 537,600 broker warrants to acquire 2018 Units of the Company at an exercise price of \$0.25 per 2018 Unit.

On March 25, 2019, the Company filed a non-offering preliminary long form prospectus with the financial regulators in each of the provinces of Saskatchewan, Alberta and British Columbia. The final prospectus was filed on June 20, 2019. It was filed for the purpose of providing full public disclosure pursuant to the Company's application to list the Common Shares on the Canadian Securities Exchange.

On March 29, 2018, the Company changed its name from Duport Capital Ltd. to MustGrow Biologics Corp.

On August 20, 2018, the Company announced that it had completed its continuance into Saskatchewan under SBCA from the province of British Columbia as of August 18, 2018.

On December 17, 2018, Corey Giasson resigned as CFO and Todd Lahti was appointed as CFO and Corporate Secretary.

2019

On July 8, 2019, the Company announced it had received approval from the CSE for the listing of the Common Shares. The Common Shares commenced trading on the CSE under the ticker symbol "MGRO" at market open on Wednesday, July 10, 2019. On July 10, 2019, the Common Shares were listed on the CSE.

On July 15, 2019, Triangle Plant Sciences ("**TPS**"), a division of Verdesian Life Sciences of Cary, NC, and the Company announced their partnership to offer exclusive Canada and global access to TPS's "TP-1000", the first product in a suite of researched hydroponic technology offerings.

On July 17, 2019, Brian Quigley was appointed to the board of directors.

On September 3, 2019, the Company announced that it had entered into a supply and private label agreement (the "**SLB Agreement**") and obtained exclusive rights to a streptomyces lydicus biofungicide product to treat powdery mildew in cannabis production. Pursuant to the SLB Agreement, MustGrow will brand, market and distribute the product in Canada with the possibility to expand to markets beyond Canada. Streptomyces is the active ingredient in a previously available product which was once used by licensed Canadian cannabis cultivators for suppression of powdery mildew.

On October 3, 2019, the Company outlined its growing portfolio of natural biologic products, which includes CannaProtector®, CannaVate®, powdery mildew and TP-1000.

On October 17, 2019, the Company announced that it finalized a liquid formulation mustard-derived biopesticide.

On December 10, 2019, the Company completed a non-brokered private placement of 11,139,879 units of the Company ("**2019 Units**") at \$0.35 per 2019 Unit for aggregate gross proceeds of \$3,898,957 (the "**December 2019 Offering**"). Each 2019 Unit is comprised of one Common Share and one-half of one common share purchase warrant (each whole common share purchase warrant, a "**2019 Warrant**"). Each 2019 Warrant entitles the holder thereof to one Common Share for 24 months from closing of the December 2019 Offering at \$0.50 per Common Share. In connection with the December 2019 Offering, the Company paid certain finders a total of \$188,345 in cash and 534,987 finders warrants (the "**Finder Warrants**") as finders' fees. Each Finder Warrant entitles the holder thereof to purchase one Common Share for 24 months from the closing of the December 2019 Offering at \$0.50 per Common Share.

On December 13, 2019, the Company announced its biologic crop protection product pipeline and associated work schedule which includes TerraMG™ and MG 1001 at the development and pre-launch stage; MG 2001, MG 1002 and MG 4001 at the evaluation and optimization stage and MG 4002, MG 1003, MG 1004 and MG 5001 at the invention and initial testing stage.

2020

On January 1, 2020, the Company vertically amalgamated with its wholly owned subsidiary, MPT. See "*Corporate Structure – Intercorporate Structure*".

On January 27, 2020, the Company announced the filing of patents related to method of use and composition of matter claims for a biological non-selective bioherbicide based on the Company's mustard-derived approach to controlling unwanted pests and diseases.

On February 20, 2020, the Company announced that it batch-produced 200 liters of its mustard-derived liquid product for further testing as both a biopesticide and bioherbicide.

On February 25, 2020, the Company announced the commencement of testing its patented mustard-derived biopesticide on clubroot, a disease pathogen destroying one of Canada's crops.

On March 12, 2020, the Company announced that it had received approval from the Depository Trust Company ("**DTC**") allowing the Company's common shares eligible for electronic clearing and settlement through DTC.

On May 5, 2020, the Company announced the initiation of its strategy for registration and commercialization of the Company's products in South America.

On May 7, 2020, the Company incorporated its wholly owned subsidiary, MustGrow Biologics Colombia S.A.S.

On May 27, 2020, the Company announced that third-party testing confirmed 100% control of clubroot spores after a 24-hour period utilizing MustGrow's mustard-derived liquid biopesticide TerraMG™.

On June 3, 2020, the Company announced the commencement of a tobacco crop protection research program funded by the Canadian Tobacco Research Foundation to target tobacco cyst nematodes and root-lesion nematodes.

On June 16, 2020, the Company announced the successful importation of its bio-pesticide TerraMG™ into Colombia for testing on Panama Disease in bananas.

On August 12, 2020, the Company announced successful proof-of-concept for its proprietary biological non-selective bioherbicide, based on MustGrow's signature mustard-derived approach to controlling unwanted pests and diseases.

On August 26, 2020, the Company announced successful greenhouse soil test results of its patented mustard-derived biopesticide on clubroot resting spores, the results ranged between 96.1% control at 0.5 gal/acre and 98.5% control at 10 gal/acre.

On September 29, 2020, the Company announced commencement of banana Panama Disease testing in Colombia.

On November 23, 2020, the Company announced the exclusive patent licensing from the University of Idaho pertaining to a natural mustard-based biopesticide treatment of stored produce and other foods, particularly sprout suppression of potatoes. In addition, the Company announced the appointment of Dr. Matthew Morra as Scientific Advisor.

On December 1, 2020, the Company reported positive test results for control of Fusarium wilt TR4, a soil borne disease affecting bananas.

On December 14, 2020, the Company announced the appointment of David Borecky to the Board of Directors.

Recent Developments since December 31, 2020

On January 19, 2021, the Company confirmed positive soil health and ecological impact of its natural mustard-derived biopesticide.

On January 20, 2021, the Company announced successful laboratory test results of its patented mustard-derived biopesticide on *Aphanomyces euteiches* zoospores ("**Aphanomyces**") via an independent third party facility: 100% control at economic application rates within 24 hours.

On February 9, 2021, the Company reported confirmatory results of 100% control of its mustard-derived natural biopesticide on the disease *Fusarium wilt TR4*, a soil borne disease affecting bananas.

On February 24, 2021, the Company reported registration approval through Canada's Pest Management Regulatory Agency for its powdery mildew biofungicide product for use on cannabis and hemp crops in Canada.

On March 3, 2021, the Company announced that it had isolated and concentrated thiocyanate from mustard seed and that this extract had potential to be a non-selective bioherbicide (natural weed-killer).

On April 12, 2021, the Company announced results from tobacco field trials. MustGrow's biopesticide achieved comparable efficacy and yield results versus Chloropicrin, a synthetic chemical pesticide.

On April 29, 2021 the Company announced a collaborative field trial program with Univar Canada Ltd. subsidiary NexusBioAg. Trials will test the MustGrow biopesticide's ability to treat clubroot in canola and *Aphanomyces* in pulse crops.

On May 12, 2021, the Company announced successful results from greenhouse trials on *Aphanomyces*. Control in greenhouse soils was recorded across a range of economic applications rates.

On August 4, 2021, the Company announced that it has entered into an exclusive evaluation and option agreement with Sumitomo Corporation ("**Sumitomo**") to evaluate the Company's technology for its efficacy and commercial potential. Pursuant to the agreement, the Company has granted Sumitomo, amongst other things, the intellectual property rights and the option to acquire exclusive rights to MustGrow's technology for preplant soil fumigation, bioherbicide, postharvest and food preservation for potatoes, and bananas in North, Central, and South America.

DESCRIPTION OF THE BUSINESS

Description of the Company's Business

General Description

MustGrow is an agricultural biotechnology company focused on the development and commercialization of natural biopesticides, biofumigants and bioherbicides derived from food-grade mustard seed. The mustard plant, which is a *Brassica* species plant, has natural compounds within that produce non-synthetic chemicals with pesticidal and herbicidal properties. Allyl-isothiocyanate ("AITC") and thiocyanate are non-synthetic compounds which are part of the plant's defense mechanism against disease, pests and weeds. MustGrow has extracted these natural compounds and molecules that form these natural compounds, from mustard seed and formulated them in a dry and liquid form appropriate for use as a commercial biofumigant, biopesticide and bioherbicide. MustGrow owns issued patents and patent applications covering the extraction, formulation and use of these natural compounds. The MustGrow technology is a platform technology with multiple applications, including preplant soil treatment of microbial disease, pests and weeds, and a biologic for postharvest food preservation.

The Company has one wholly-owned subsidiary, MustGrow Colombia. See "*Corporate Structure – Incorporate Structures*".

Overall Industry and Market Conditions

Traditional solutions to combat fungal disease, pests and weeds in agriculture face significant challenges as consumers globally are demanding a reduction in the amount of synthetic pesticides used to produce food crops. Regulatory agencies have responded by significantly restricting or outlawing existing synthetic chemistries, leaving limited alternatives for growers.

Producers have a pest control problem. The long history of synthetic chemical treatments has resulted in resistant pest populations, reducing the effectiveness these chemistries. Pest control is further confounded by tighter restrictions on application rates and outright bans on the use of some chemicals.

At the same time, the need to feed a growing population on a finite amount of arable land is of considerable concern - land needs to become more productive and farming practices need to become more sustainable for future generations.

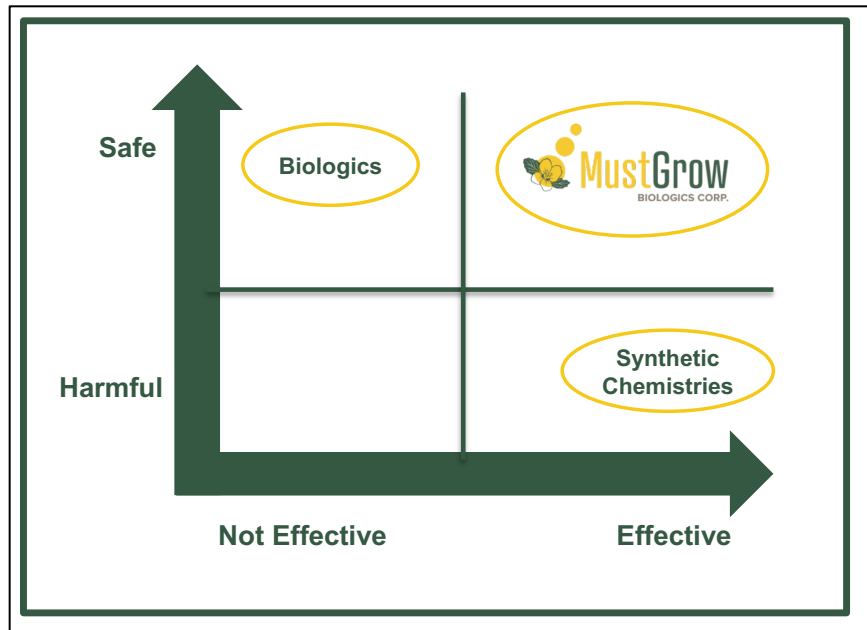
In response, large agricultural chemical companies are investing in more sustainable natural technologies, including biologics, to replace or complement synthetic chemicals.

Producers want to use safe, sustainable products to protect their crops, but they need to work and provide competitive return on investment. In the past number of years, biologics that have come to market have had slow uptake because many did not meet performance expectations.

Principal Products

The Company is currently devoting its resources to research and development. MustGrow's main focus is providing a natural, organic technology platform solution that combines the efficacy of synthetic chemicals and the safety of biologics.

Figure 1: MustGrow's Technology vs. Biologics vs. Synthetic Chemistries



Compared to existing biologics, MustGrow's solution is effective at controlling disease and pests. The mode of action is similar to synthetic chemicals and in head-to-head field trials, has shown to be competitive at controlling the target disease or pest. However, MustGrow's technology is not a synthetic chemical, it is sourced from food grade mustard and is natural and organic. It is safe to use and safe for the environment and soil.

The safety profile of the Company's mustard-derived liquid biopesticide (TerraMG™) is achieved through the following:

- The formulation is a two component system that is benign until mixed and applied in the field. The release of the active ingredient, AITC, is delayed. Therefore, the formulation is safe for storage, transportation and use.
- The formulation has low water solubility, therefore it does not transport via water in the soil and does not easily run off to contaminate other water sources.
- AITC has a short half-life – 24 hours, versus weeks for some other products. It acts quickly and then dissipates. This promotes positive soil bacterial and microbiome health. Healthier soil leads to better crop yields.
- Healthy soil is better for the environment, promoting increased carbon sequestration.¹

Technology and Products

Over the last several years, over 100 independent tests have been completed evaluating the safety and efficacy of MustGrow's products and active ingredients. MustGrow previously commercialized a first-generation technology that used AITC from mustard seed as a biopesticide. The product, in granule format, is approved for use by the United States Environmental Protection Agency ("EPA") across a number of U.S. states and approved by Health Canada's Pest Management Regulatory Agency ("PMRA") as a biopesticide for high value crops such as fruit & vegetables.

¹ Source: Food and Agriculture Organization of the United Nations. "Healthy soils are the basis for healthy food production". (http://www.fao.org/fileadmin/user_upload/soils-2015/docs/EN/EN_Print_IYS_food.pdf)

In 2014, MustGrow shifted focus from the granular product to developing a more concentrated, liquid formula appropriate for use in typical chemical application systems such as drip lines, sprayers and shank. This patented two part liquid formulation biopesticide is branded TerraMG™.

MustGrow's technology pipeline is presented in Figure 2 and contains three core product applications:

- **Preplant Soil Biofumigation** – to treat soil-borne diseases and pests for multiple crops including fruit, vegetables, canola and pulses;
- **Bioherbicide** – to treat unwanted plant growth using a unique mode of action for the organic agriculture and home and garden markets as well as agriculture markets in jurisdictions where glyphosate is out of favor or has been banned; and
- **Postharvest Food Preservation** – biopesticide for storage and food preservation markets (fruit & vegetables, bulk grain, shipping containers and food borne pathogens).

Figure 2: MustGrow's Technology Platform with Application in Multiple Markets

PRODUCT	TARGET	ESTIMATED MARKET SIZE / LOSS	PROOF OF CONCEPT	EARLY DEVELOPMENT	ADVANCED DEVELOPMENT	REGISTRATION
			Laboratory	Greenhouse	Field Trials	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 & Vegetable	→			TerraMG US-EPA registration in process
Bananas	Fusarium wilt TR4	US\$18 Billion Estimated Global Loss	→			
Canola	Clubroot Disease (<i>Plasmodiophora brassicae</i>)	C\$500 Million Estimated Economic Loss in Canada	→			Collaboration with NexusBioAg (subsidiary of Univar Canada Ltd.)
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.

In addition to mustard-based products and technology, MustGrow has licensed a powdery mildew biofungicide product from a third party for use in Canada on cannabis and hemp. This biofungicide was used widely in the cannabis industry under the trade name Actinovate®, but was discontinued when the owner removed cannabis from the label. MustGrow re-branded this biofungicide as CannaPM™ and received regulatory approval from the PMRA in early 2021. CannaPM™ contains Streptomyces lydicus WYEC 108, a beneficial bacteria and natural enemy of fungal pathogens, thus offering cannabis and hemp growers a powerful and versatile tool to protect their crops.

Preplant Soil Biofumigant

The initial focus for MustGrow technology is as a preplant soil biofumigant for high value crops such as fruit & vegetables in the US and Canada. The first-generation granular product, MustGrow Invest™, was directed at this market, received regulatory approval and generated sales of approximately \$700,000.

Preplant soil fumigation involves treatment (fumigation) of the soil prior to planting a crop to suppress or control disease and pests. This affords a newly seeded crop the best conditions to attain proper emergence and establishment, which will potentially result in maximum yield, and therefore, returns for the farmer. Crops that are treated in the US fumigation market are:

- Tree nut and vine (nuts, pome, stone fruit, grape);
- Plastic culture crops (fruiting vegetable, cucurbits, strawberries);
- Broad acre field vegetables (potatoes, sweet potatoes, carrots, onion);
- Other field vegetables (brassica, leafy);
- Field crops (tobacco, peanuts, sugar beets, green beans); and
- Nursery crops (greenhouse, field grown, container).

MustGrow is currently focusing its testing efforts on bananas, canola, and pulse crops because these crops have no solutions for soil borne disease.

Bananas – Fusarium wilt TR4

Fusarium wilt TR4 is the world's most destructive banana disease, affecting particularly Cavendish bananas, which comprise half of global banana production. Currently, there are no effective treatments for infected banana plantations. Crop losses may be up to 100% and the disease may remain viable in soil for decades.² The spread of Fusarium wilt TR4 through banana plantations in South America has prompted Colombia to reportedly declare a National State of Emergency, enacting special measures to stop the disease from spreading, including the preventive eradication of infected plantations.³ In February 2021, MustGrow confirmed control of Fusarium wilt TR4 in laboratory trials in Colombia.

Canola - Clubroot

Clubroot is a rapidly spreading disease pathogen destroying canola, one of Canada's more profitable crops with over 20 million acres grown each year and contributing approximately C\$30 billion in economic activity in Canada.⁴ Industry experts estimate \$500 million in annual canola crop losses in Canada caused by clubroot. Current measures cannot eradicate clubroot completely – they are only intended to slow down the spread and reduce the incidence and severity of the disease. Some field infections may lead to 100% crop loss. In August 2020, MustGrow reported control of clubroot in greenhouse soil; of particular note: 96.1% disease control at 0.5 gal/acre application rate; and 98.5% disease control at 10 gal/acre application rate.

² Source: Food and Agriculture Organization of the United Nations. "Preventing the spread and introduction of banana fusarium wilt disease Tropical race 4 (TR4)" (<http://www.fao.org/3/ca7590en/ca7590en.pdf>)

³ Source: American Association for the Advancement of Science. "Colombia confirms that dreaded fungus has hit its banana plantations" (August 12, 2019) (<https://www.sciencemag.org/news/2019/08/colombia-confirms-dreaded-fungus-has-hit-its-banana-plantations>)

⁴ Source: LMC International report for Canola Council of Canada. *The Economic Impact of Canola on the Canadian Economy: 2020 Update*. December 2020 (<https://www.canolacouncil.org/about-canola/economic-impact/>)

Pulse Crops - Aphanomyces

Aphanomyces is a water mold pathogen responsible for root-rot disease, infecting a variety of peas, lentils and other legumes collectively referred to as pulse crops. The disease causes severe root damage and wilting, with yield losses ranging from 10% to 100% in infected fields. Canada is one of the world's largest producers (~11 million tons, 2020) and exporters of pulse crops.⁵ The Company estimates \$20 million in annual pulse crop losses in Canada and \$100 million globally caused by Aphanomyces. The Province of Saskatchewan has been hit particularly hard, with 90% of fields showing Aphanomyces symptoms in 2019. Current treatment measures cannot control Aphanomyces – they are only able to slow down the spread and reduce the incidence and severity of the disease. Further, there are currently no genetic cultivars available with complete Aphanomyces resistance. MustGrow's TerraMG™ soil biofumigant has demonstrated control of root-rot in greenhouse trials.

Bioherbicide

In early 2021, MustGrow isolated and concentrated an additional molecule, thiocyanate, from mustard seed. Thiocyanate is responsible for the systemic activity behind the mustard plant's natural herbicidal (weed-killer) properties. MustGrow had previously reported bioherbicidal proof-of-concept success without isolating thiocyanate and now expects to build on those studies with this additional bioherbicidal mode-of-action now identified.

Thiocyanate extract has the potential to be a natural organic bioherbicide that is soil active with systemic translocated properties. Systemic activity, or the ability of the active ingredient to move from soil, to roots, and then to stem and leaves, is particularly significant given that the leading synthetic herbicide glyphosate is not soil active, and only acts on the above ground portions of the weed it contacts. MustGrow believes a tremendous opportunity exists to potentially replace or compliment glyphosate or other synthetic herbicides in certain systems, by providing a natural organic solution. These systems include home and garden, organic acres, jurisdiction where glyphosate or other synthetic herbicides have been banned, and in combination with synthetic chemicals, thereby reducing application rate.

Postharvest Food Preservation

MustGrow's active ingredient, AITC, has application in areas beyond preplant soil fumigation of diseases and pests. Many of these diseases affect not only crops in the field, but also grains and produce in storage. As such, MustGrow is developing its AITC technology for application in postharvest food preservation in the following areas.

- Potato and stored vegetable sprouting and disease;
- Bulk grain mycotoxin and pests;
- Storage containers disease and pests; and
- Food borne pathogens.

Sprouting and Disease Treatment for Potatoes and Vegetables

In November 2020, MustGrow entered into an exclusive technology license agreement with the University of Idaho providing access to, amongst other things, a natural mustard-based treatment of stored produce and other foods. Included in the licensed technology is an issued patent containing matter and method claims to utilize AITC to control vegetable and potato sprouting without using harmful synthetic chemicals.

Postharvest sprout suppression is a key element of potato storage. The current annual European sprout suppression market is estimated at US\$64 million and over US\$100 million globally.⁶ The leading agrochemical product for sprout suppression, chlorpropham ("CIPC"), was banned by the European Union on October 8, 2020. CIPC has long been

⁵ Source: IMARC. *Canada Pulses Market: Industry Trends Share, Size, Growth, Opportunity and Forecast 2021-2026* (<https://www.imarcgroup.com/canada-pulses-market>)

⁶ Source: Confidential third party source.

the major global sprout suppressant, widely applied to stored potatoes. With this ban now effective, growers will be forced to refrigerate produce, adding an estimated US\$150 million expenditure annually in the European Union.⁷ The additional capital expenditure and refrigeration energy consumption make this temporary approach unsustainable. Although the ban was anticipated, no effective treatment alternatives have emerged – creating a major problem for existing potato storage sites.

Other Postharvest Food Preservation

Stored Grain: The Company estimates the global losses from stored grains infected with mycotoxins at roughly US\$15 billion per year. Once mycotoxins infect stored grains, they cannot be used for food or feed consumption and are a total loss for the producer. There is currently no treatment available.

Shipping Containers: All shipping containers around the world are treated for disease and pests prior to crossing national borders. Harmful chemicals such as methyl bromide, which is hazardous to users and the ozone and banned in many jurisdictions, continue to be used for fumigating containers, including those used for organic produce transport. Methyl bromide is effective, but environmentally harmful and hazardous to human health.

Food-borne Pathogens: *E. coli*, *Salmonella sp.*, *Listeria spp.* and *Staphylococcus sp.* not only cause food and produce waste, but also are harmful and even deadly when consumed by humans and animals. Recalls of infected lettuce, spinach or other vegetables are common.

Business Objectives

The Company's business objectives for the next 12 months include:

- Field trials of the liquid formulation, TerraMG™, for use as a preplant soil biopesticide for soil borne diseases and pests in fruits & vegetables, bananas, canola and pulses;
- Continue to pursue US-EPA regulatory approval of TerraMG™ as a preplant soil biopesticide for fruit & vegetables, turf & ornamental;
- Greenhouse and field trials of thiocyanate as a bioherbicide;
- Commence early-stage testing on the postharvest applications of the MustGrow biopesticide, in particular sprout prevention in potatoes;
- Continue collaborative research with agriculture industry partners to develop and commercialize the MustGrow technology;
- Continue optimization of MustGrow's formulation of AITC and thiocyanate; and
- Secure options for production through toll manufacturing.

Commercial Collaborations

MustGrow has an agreement with Univar Canada Ltd.'s NexusBioAg ("**NexusBioAg**"), a division of Univar Solutions Inc. ("**Univar Solutions**"), whereby NexusBioAg will complete a field trial program in Canada utilizing MustGrow's mustard-derived biopesticide, TerraMG for treatment of clubroot and Aphanomyces diseases in canola and pulse crops, respectively.

Univar Solutions is a global specialty chemical and ingredient distributor. In Canada, NexusBioAg offers a portfolio of crop nutrition solutions, which includes inoculants, micronutrients, nitrogen stabilizers and foliar products.

⁷ Source: Confidential third party source.

Intellectual Property

MustGrow's intellectual property portfolio consists of 59 issued or allowed patents, 11 pending applications, trade secrets and know-how.

The following table summarizes claims in patents and patent applications along with their commercial application and expected life.

Patents / Patent Applications	Commercial Application	Expiry
Compositions including plant materials extracted from multiple mustard species to achieve pesticidal activity, methods for making the same, and methods for using the same to control pests	Soil biofumigant	2031
Two-part pesticide precursor systems including pesticidally inactive mustard extracts, becoming pesticidally active upon combining, methods for making the same, and methods for using the same to control pests	Soil biofumigant	2034
Pesticidal formulations comprising mustard extracts and formulary ingredients, methods for making the same, and pesticide application kits containing the same	Soil biofumigant	2034
Methods for controlling weed plants by applying mustard plant extracts to plant foliage, and kits for using the same	Herbicide	2040
Methods for controlling weed plants by applying a combination of a mustard plant extract and chemical herbicide to plant foliage, compositions, methods for making, and kits containing the same	Herbicide	2041
Herbicidal formulations comprising a mustard plant extract and an organosulfur compound, methods for making the same, methods for using the same, and kits containing the same	Herbicide	2041
Methods for controlling Fusarium wilt of banana plants using mustard extracts, and kits to conduct the same	Soil biofumigant	2041
Methods to treat vegetable to prevent sprouting using mustard extracts (exclusively licensed from the University of Idaho)	Food Preservation	2036
Methods to control nematode growth using mustard extracts (exclusively licensed from the University of Idaho).	Soil biofumigant	2038

Competition

The agricultural biotechnology market is dominated by a few relatively large participants. The Company competes with other companies in acquiring and retaining qualified personnel, seeking and protecting patents as well as to acquire market share in the biofumigant, bioherbicide and food preservation markets. The Company's main competitors include, but are not limited to Bayer AG, Syngenta Group, BASF SE, FMC Corporation, Sumitomo Corporation, Mitsui & Co., Ltd., NuFarm Ltd, UPL Limited, American Vanguard Corporation, Gowan Company and Corteva, Inc.

Soil Fumigation

Synthetic chemicals used as soil fumigants are as follows:

- Chloropicrin;
- Metam-Sodium;
- 1,3-Dicloropropene; and
- Potassium N-Methyldithiocarbamate.

There are two other AITC derived fumigants that are EPA registered as a preplant soil fumigant for high value crops such as fruit and vegetables; MustGrow Invest™ and Dominus. MustGrow Invest™ is the Company's first generation granular biopesticide that is OMRI certified and natural form of AITC. Dominus is a biofumigant product that is a synthetic form of AITC, owned by Isagro USA, which is now owned by Gowan Group. Dominus does not have state approval for use in California and many other states including the mid-west potato producing states.

Bioherbicide

Glyphosate is the most commonly used herbicide. In many global markets, glyphosate is being phased out, including recent announcements by Germany and Mexico by 2024. France recently announced glyphosate restrictions but stopped short of a full ban because of a lack of non-chemical alternatives.

The Company believes that its thiocyanate technology, if efficacious, would not be able to compete directly with glyphosate due to the low cost of glyphosate, but could potentially have an opportunity in the following areas:

- Organic acres where glyphosate cannot be used;
- Home & garden;
- Jurisdictions where glyphosate has been banned; and
- In combination with glyphosate for a different mode of action, or to decrease the potential load per acre of glyphosate.

Postharvest Food Preservation

The leading agrochemical product for sprout suppression, CIPC, was banned by the European Union on October 8, 2020. CIPC has long been the major global sprout suppressant, widely applied to stored potatoes. With this ban now effective, growers will be forced to refrigerate produce. The additional capital expenditure and refrigeration energy consumption make this temporary approach unsustainable. Although the ban was anticipated, no effective treatment alternatives have emerged – creating a major problem for existing potato storage sites.

In the US, CIPC continues to be used as do other products that are not approved in the European Union:

- Stadium
- Phosphoric acid
- Thiabendazole
- FruitGard

MustGrow Competitive Position

MustGrow's products are natural and organic biologicals derived from food grade mustard. They have an effective mode of action similar to synthetic chemical competition, but without the negative environmental profile.

MustGrow has a patented technology platform that has potential application in several crops and geographic markets for biofumigation, weed control and food preservation.

Business Cycles

The Company's business as an agricultural biotechnology company at the research and development stage, is not cyclical, and may be conducted year-round. Research and development can be done in laboratories, greenhouses as well as in many regions around the world due to many active crop targets. Field testing is the one area that would be cyclical in nature due to the limitations of the weather cycles but with activities in both the Northern and Southern hemispheres this allows flexibility in trials.

Economic Dependence

The Company's business is not dependent on any contract to sell the major part of its products or to purchase the major part of its requirements for goods, services or raw materials, or on any franchise or license or other agreement to use a patent, formula, trade secret, process or trade name upon which its business depends. It is not expected that the Company's business will be affected in the current financial year by the renegotiation, amendment or termination of contracts or subcontracts.

Employees and Expertise

The Company has engaged contractors to provide expertise in the areas of soil science, entomology, plant science, biochemistry, intellectual property, agricultural technology markets and business development. The Company currently has no employees other than its executive officers.

Foreign Operations

MustGrow has a wholly-owned subsidiary, MustGrow Biologics Columbia SAS, through which it conducts research and development trials on fumigation of banana crops in Columbia

Environmental and Sustainability Matters

The Company utilizes natural and organic materials in the manufacture of their bioherbicide. Nonetheless, the Company's operations are subject to environmental requirements under federal, provincial, state and local laws, regulations and permits of the countries in which the Company operates. These laws, regulations and permits apply to the manufacturing process and the Company believes it is in material compliance with existing requirements.

Lending

The Company has certain lending relationships with the Government of Saskatchewan and Ag-West Bio Inc., pursuant to which it is obligated to make certain repayments and royalty payments. See "*Material Contracts*" for more details on these lending arrangements.

RISK FACTORS

The risk factors listed below could materially affect the Company's financial condition, future operating results, cash flows and prospects and could cause actual events to differ materially from those described in forward-looking statements made by or relating to the Company. In that event, the value of the Company's securities could decline and investors may lose all or part of their investment. Although the Company believes that the risk factors described below are the most material risks that it faces, they are not the only ones. Additional risk factors not presently known to the Company or that the Company currently believes are immaterial could also materially and adversely affect its financial condition, future operating results, cash flows and prospects and negatively affect the value of its securities.

Risks Relating to MustGrow and its Business

Intellectual Property

The Company's success depends, in part, on its ability to obtain patent protection for its products, technologies and their uses, on its ability to maintain trade secret protection and to operate without infringing the proprietary rights of others and without third parties circumventing the rights that the Company currently owns or licenses. MustGrow has filed and is actively pursuing patent applications related to its technologies in key jurisdictions globally, including the United States, Europe, Canada, Central and South America and Asia. In seeking to protect the Company's inventions using patents it is important to note that there can be no assurance that:

- Patent applications will result in the issuance of patents; additional proprietary products developed will be patentable;
- The coverage claimed in a patent application will not be significantly reduced before a patent is issued;
- Patents issued will provide adequate protection or any competitive advantages; patents issued will not be successfully challenged by third parties;
- Commercial exploitation of the Company's inventions does not infringe the patents or intellectual property of others; or
- The Company will be able to obtain any extensions of the patent term.

Failure of the Company to obtain adequate patent protection for any of the current or projected patent applications could have a material adverse effect on the Company's ability to gain a competitive advantage and may have a material adverse effect on operations. In particular, failure to obtain patent protection could permit competitors of the Company to produce products that could be directly competitive with the Company's product candidates or to develop technologies directly competitive with the Company's technologies.

MustGrow has filed patent applications on the basis that the inventors have assigned their interest in the inventions to MustGrow and that such assignments have been confirmed in assignments as of the date of the patent applications. There is no assurance that the inventors did not deal with their interest in the inventions named in the patent applications prior to the date of the confirmatory assignments. The confirmatory assignments have been obtained from employees that MustGrow identified as being the inventors of the inventions named in the patent applications. No assurance can be given that any other person who may be an inventor has assigned to MustGrow their, or waived any, interest in the inventions for which MustGrow has filed patent applications.

Patent applications in Canada and many other jurisdictions remain confidential for 18 months from the priority filing date. Publication of discoveries in the scientific or patent literature often lag behind actual discoveries. As a consequence, MustGrow cannot be certain that it was, or any licensor was, the first creator of inventions covered by issued patents or pending patent applications for such inventions.

There can be no assurance that patents the Company may be able to obtain in the future would be held valid or enforceable by a court. A holding of invalidity or unenforceability may reduce or eliminate the value of the Company's technology covered by the patent. Competitor companies and research and academic institutions have developed technologies, filed patent applications or received patents on various technologies that may be related to the Company's business and technology. Some of these technologies, applications or patents may conflict with or limit the scope of the Company's technology or intellectual property rights. It is also possible that these technologies, applications or patents may preclude the Company from obtaining patent protection for its inventions. Further, there may be uncertainty as to whether the Company may be able to successfully defend any challenge to its patent portfolio.

The Company also relies on trade secrets and proprietary know-how that may not be protected by patent and there is no assurance that the Company will be able to protect its trade secrets. The Company seeks to protect its rights in part by confidentiality agreements with its collaborators, employees, advisors and consultants. No assurance can be made

that the obligation to maintain the confidentiality of the Company's secrets and proprietary know-how will not wrongfully be breached by the Company's employees, consultants, advisors or others, or that the Company's trade secrets or proprietary know-how will not otherwise become known, or be independently developed by competitors in a manner providing the Company with no practical recourse against the other parties involved.

Research and Development Activities

It is important for the Company to continue to invest steadily in research and development. However, because the Company will compete in a constantly evolving market, it may pursue research and development projects that do not result in viable commercial products. Any failure to translate research and development expenditures into successful new product introductions could have an adverse effect on the Company's business.

Competition and Market Pressures

The high level of competition in the market for biological agricultural products may result in pricing pressure, reduced margins or the inability of the Company's products to achieve market acceptance. The markets for biological agricultural products are intensely competitive, rapidly changing and undergoing consolidation. The Company may be unable to compete successfully against its current and future competitors, which may result in price reductions, reduced margins and the inability to achieve market acceptance for its products.

Many entities are engaged in developing biological agricultural products. The Company's competitors include major multinational agrichemical companies, some of which have developed biological products for the Company's target markets, as well as specialized biological agricultural businesses such as Bayer AG, Syngenta Group, BASF SE, FMC Corporation, Sumitomo Corporation, Mitsui & Co., Ltd., NuFarm Ltd, UPL Limited, American Vanguard Corporation, Gowan Company and Corteva, Inc. Many of these organizations have longer operating histories, significantly greater resources, greater brand recognition and a larger base of customers than the Company at present. As a result, they may be able to devote greater resources to the manufacture, promotion or sale of their products, receive greater resources and support from independent distributors, initiate or withstand substantial price competition or more readily take advantage of acquisition or other opportunities. Further, many of the large agrichemical companies have a more diversified product offering, which may give these companies an advantage in meeting customers' needs by enabling them to offer a broader range of crop protection, plant nutrition and plant health solutions. In addition, the Company could face competition in the future from new, well-financed start-up companies.

Lack of Public Knowledge of Crop Protection and Plant Health Products

Biological crop protection and plant health products are not well understood, which necessitates investment in customer education and makes effectively marketing and selling the Company's technology and products difficult.

The market for biological agricultural products is underdeveloped when compared to conventional products. Customers in the crop production sector are generally cautious in their adoption of new products and technologies. Growers often require on-farm demonstrations of a given crop protection or plant health product. Initial purchases of the product tend to be conservative, with the grower testing on a small portion of their overall crop. As the product is proven, growers incorporate the product into their rotational programs and deploy it on a greater percentage of their operations. As a result, large scale adoption generally takes several growing seasons.

Customers have historically perceived biological agricultural products as more expensive and less effective than conventional products. To succeed, the Company will need to continue to change that perception. To the extent that the market for biological agricultural products does not further develop or customers elect to continue to purchase and rely on conventional chemical products, the Company's market opportunity will be limited.

Third-Party Intellectual Property Infringement Claims

Third parties may assert that the Company is using their proprietary information without authorization. Third parties may also have or obtain patents and may claim that technologies licensed to or used by the Company infringe their patents. If the Company is required to defend patent infringement actions brought by third parties, or if it sues to

protect its own patent rights or otherwise to protect its proprietary information and to prevent its disclosure, the Company may be required to pay substantial litigation costs and managerial attention may be diverted from business operations even if the outcome is in the Company's favour. In addition, any legal action that seeks damages or an injunction to stop the Company from carrying on our commercial activities relating to the affected technologies could subject the Company to monetary liability and require it or any third-party licensors to obtain a license to continue to use the affected technologies. The Company cannot predict whether it would prevail in any of these types of actions or that any required license would be available on commercially acceptable terms, or at all. Some of the Company's competitors may be able to sustain the costs of complex patent litigation more effectively than the Company, because they have substantially greater resources.

Limited Operating History and No Assurance of Profitability

The Company is subject to all of the business risks and uncertainties associated with any early-stage enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources, and lack of revenues. Its main products have yet to reach production stage.

The Company has incurred significant operating losses since inception and substantially all losses have resulted from expenses incurred in connection with research and development and general and administrative costs associated with operations. The Company may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. In addition, the Company expects to continue to increase operating expenses as it implements initiatives to continue to grow its business. If the Company cannot produce revenue to offset these expected increases in costs and operating expenses, the Company will not be profitable. There is no assurance that the Company will generate revenue and be successful in achieving a return on shareholders' investments and the likelihood of success must be considered in light of the early stage of operations.

Revenue Generation and Liquidity

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities and the continued development of the Company and its products may require additional financing. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

The ability to generate sufficient revenue to sustain the operations of the Company depends upon the ability to successfully commercialize its intellectual property or other product candidates that the Company develops or acquires in the future. The Company has incurred operating losses and negative cash flows from operations since inception. To the extent the Company has negative cash flows in future periods, the Company may use a portion of its general working capital to fund such negative cash flow. As of the date of this AIF, there is no expectation to generate substantial revenue from the Company's intellectual property in the foreseeable future.

There is no assurance that if regulatory approval is achieved for the product candidates, revenues will be generated. The ability to generate revenue further depends on additional factors, including:

- Successful completion of development activities, including the studies and trials for the product candidates;
- Obtaining regulatory approval from regulatory authorities;
- Potentially raising substantial additional capital to fund operations;
- Securing and maintaining strategic collaborations with partners to test, commercialize and manufacture product candidates;
- Manufacturing approved products in commercial quantities and on commercially reasonable terms;

- Developing a commercial organization, or finding suitable partners, to market, sell and distribute approved products;
- Achieving acceptance among customer and advocacy groups for any developed products;
- The successful grant of patents for the products under development; and
- Setting a commercially viable price for any approved products.

Any doubt about the Company's ability to continue as a going concern may materially and adversely affect the price of the Common Shares, and it may be more difficult for the Company to obtain financing. Any doubt about the Company's ability to continue as a going concern may also adversely affect the Company's relationships with current and future collaborators, contract manufacturers and investors, who may become concerned about its ability to meet its ongoing financial obligations. If potential collaborators decline to do business with the Company or potential investors decline to participate in any future financings due to such concerns, the Company's ability to increase its financial resources may be limited. Further, the failure to raise such capital could result in the delay or indefinite postponement of current business objectives or in the inability of the Company to discharge its liabilities in the normal course of business. The Company has prepared its financial statements on a going concern basis, which assumes that the Company will be able to meet its commitments, realize its assets and discharge its liabilities in the normal course of business. The Company's consolidated financial statements do not include any adjustment to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the outcome of this uncertainty.

Security Breaches of Proprietary Information

In the ordinary course of business, the Company may collect and store sensitive data, including intellectual property, data from pretrial studies, trial data, the Company's proprietary business information and that of its customers, suppliers and business partners, and personally identifiable information of the Company's customers, trial participants and employees, in its data centers and on its networks. The secure processing, maintenance and transmission of this information is critical to the Company's operations. Despite security measures, the Company's information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Although to the Company's knowledge it has not experienced any such material security breach to date, any such breach could compromise its networks and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure or other loss of information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, disrupt the Company's operations, damage its ability to obtain patent protection for its product candidates, damage its reputation, and cause a loss of confidence in its products and its ability to conduct clinical trials, which could adversely affect the Company's business and reputation and lead to delays in gaining regulatory approvals.

Failure of Information Technology Systems

The Company's business increasingly depends on the use of information technologies, which means that certain key areas such as research and development, production and sales are to a large extent dependent on its information systems or those of third-party providers. The Company's ability to execute its business plan and to comply with regulators' requirements with respect to data control and data integrity, depends, in part, on the continued and uninterrupted performance of its information technology systems, or IT systems and the IT systems supplied by third-party service providers. These IT systems are vulnerable to damage from a variety of sources, including telecommunications or network failures, malicious human acts and natural disasters. Moreover, despite network security and backup measures, some of the Company's servers are potentially vulnerable to physical or electronic break-ins, computer viruses and similar disruptive problems. Despite the precautionary measures the Company and its third-party service providers have taken to prevent unanticipated problems that could affect its IT systems, sustained or repeated system failures or problems arising during the upgrade of any of its IT systems that interrupt the Company's ability to generate and maintain data, and in particular to operate the Company's technology platform, could adversely affect its ability to operate its business.

Effectiveness of Products

The Company does not know whether a production problem exists until its products are manufactured. When a production issue is identified, the product is analyzed and tested to determine the cause. As a result, production deficiencies may not be identified until well into the production process. The Company may experience inability to ramp up production in the third-party manufacturers it engages. In addition, in the event that the Company continues to rely on third-party manufacturers, resolution of production problems requires cooperation among, and communication between, the Company and its manufacturers. Third-party manufacturers may contaminate the runs of the Company's products while in process, causing a run failure and causing the Company to miss sales opportunities or a season. The Company will not succeed if it cannot maintain or decrease its production costs and effectively scale its technology and manufacturing processes with the desired production and pesticidal activity and without contaminations.

Deficiencies in Disclosure Controls and Procedures and Internal Controls over Financial Reporting

The Company could be adversely affected if there are deficiencies in its disclosure controls and procedures or in its internal controls over financial reporting. The design and effectiveness of the Company's disclosure controls and procedures and its internal controls over financial reporting may not prevent all errors, misstatements or misrepresentations. Deficiencies, including material weaknesses, in internal controls over financial reporting which may occur could result in misstatements of the Company's results of operations, restatements of financial statements, a decline in the price of the Common Shares, or otherwise materially adversely affect its business, reputation, results of operations, financial condition or liquidity.

General Economic and Business Conditions

Any global systemic economic and financial crisis could negatively affect our business, results of operations, and financial condition. The recent global financial crisis in connection with the COVID-19 pandemic has caused volatility and disruptions in the capital and credit markets. See "*Risk Factors – COVID-19 – Pandemic Risk*" below. A severe or prolonged economic downturn could result in a variety of risks to the Company's business, including its ability to raise additional capital when needed on acceptable terms, if at all. The Company cannot anticipate all the ways in which the current economic climate and financial market conditions could adversely impact its business. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, or tax rates may adversely affect the Company's growth and profitability.

COVID-19 – Pandemic Risk

The COVID-19 outbreak was declared as a pandemic by the World Health Organization on March 11, 2020. Globally, governments worldwide have focused on containment of the outbreak and the prevention of further spread. Since the outbreak, global economies have been impacted as governments have imposed restrictions such as travel bans, self-imposed quarantines, social distancing and temporary closures of non-essential businesses. While economies began to slowly reopen in June 2020 after an initial lockdown, governments were required to reinstate lockdowns and closures when infection rates returned at the end of 2020 and early 2021. Since March 2021, the supply of vaccines has become more secure in Canada. Immunization rates are continuing to improve in Canada, the US and many developed countries in world. However, the threat of the COVID-19 pandemic on the world economy is expected to remain until immunization rates in developing countries improve. The duration and long term effects of the COVID-19 pandemic is unknown at this time. Even though governments worldwide, including Canada, have implemented significant monetary and fiscal relief programs designed to stabilize their economies, it is too early to predict the efficacy of such programs at this time. In response to the COVID-19 pandemic, MustGrow implemented measures to ensure the safety of work conditions for its employees. While the Company believes that the COVID-19 pandemic has not significantly affected its business operations to date, it is not possible to predict how long the pandemic will continue to last and whether the financial and business conditions of the Company will be impacted in future periods.

International Operations

The Company has operations in Colombia through its subsidiary, MustGrow Colombia as well as in the United States. In addition, the Company expect sales of its products, once and if registered in international jurisdictions. The Company's international operations are subject to inherent risks, and the Company's business and future results could be adversely affected by a variety of factors, many of which are outside of its control, including:

- Greater difficulty in collecting accounts receivable and longer collection periods;
- Difficulties of managing manufacturing, infrastructure and legal compliance costs associated with producing products internationally;
- Political, social and economic instability, including wars, terrorism, political unrest, boycotts, public health emergencies, curtailment of trade and other business restrictions;
- Tariff and trade barriers and other regulatory requirements or contractual limitations on our ability to sell or develop our products in certain foreign markets;
- Less effective protection of intellectual property than is afforded to the Company in Canada, the United States and Europe;
- Potentially adverse tax consequences;
- Effects of changes in currency exchange rates that could negatively affect our financial results and cash flows; and
- Changes in governmental trade policies can lead to the imposition of new duties, tariffs or quotas affecting agricultural commodities, fertilizer or industrial products. These can alter trade flows, access to supplies or demand, and regional balances for our products.

International sales, sourcing and manufacturing may be significant to the Company and as such its business, financial condition and results of operations could be significantly harmed if any of the risks described above were to occur or if it is otherwise unsuccessful in managing its international operations.

International Expansion

The Company may in the future expand its operations and business into jurisdictions outside of Canada, the United States and Colombia. There can be no assurance that any market for the Company's products will develop in any such foreign jurisdiction. The Company may face new or unexpected risks or significantly increase its exposure to one or more existing risk factors, including economic instability, changes in laws and regulations and the effects of competition. These factors may limit the Company's capability to successfully expand its operations and may have a material adverse effect on the Company's business, financial condition and results of operations.

Risks Relating to Product Development and Regulatory Matters

Unsuccessful Field Trials and Registration Risks

The successful completion of multiple field trials on various crops is critical to the success of the Company's product development and marketing efforts. If the Company's ongoing or future field trials are unsuccessful or produce inconsistent results or unanticipated adverse side effects on crops or on non-target organisms, or if it is unable to collect reliable data, regulatory approval of our products could be delayed, or we may be unable to commercialize our products. In addition, more than one growing or treatment season may be required to collect sufficient data and the Company may need to collect data from different geographies to prove performance for customer adoption. Although the Company has conducted successful field trials on a broad range of crops, it cannot be certain that additional field trials conducted on a greater number of acres, or on crops for which the Company has not yet conducted field trials,

will be successful. Moreover, the results of the Company's ongoing and future field trials are subject to a number of conditions beyond its control, including weather-related events such as drought or floods, severe heat or frost, hail, tornadoes and hurricanes, or low or no natural occurrence of the pests intended for testing. Generally, the Company pays third parties, such as growers, consultants and universities, to conduct field tests on its behalf. Incompatible crop treatment practices or misapplication of the Company's products by these third parties or lack of sufficient occurrence of the identified pests in nature for a particular trial could impair the success of the field trials.

Regulatory Risks

Biofumigants, biopesticides and bioherbicides are highly regulated products around the world. Changes to the approval process that could be imposed by the regulatory bodies around the world, such as Canada's PMRA and the US' EPA, may materially impact the Company's ability to access desirable markets or to do so in a profitable manner. The Company's intended markets could be highly susceptible to changes in regulation. Moreover, these regulations may be different across each jurisdiction in which the Company operates. Regulatory changes and timing are a matter over which the Company has no control, and there can be no assurance that regulatory changes applicable to the Company and/or its customers will not negatively impact the business, financial condition, and operating results of the Company.

The Company will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties or restrictions on the Company's operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

Success of Product Candidates

The Company can make no assurance that its research and development programs will result in regulatory approval or commercially viable products. To achieve profitable operations, the Company, alone or with others, must successfully develop, gain regulatory approval, and market its future products. Other than CannaPM (which is approved by the PMRA) and MustGrow Invest (which is approved by the PMRA and EPA), the Company currently has no other products that have been approved by the PMRA, the EPA, or any similar regulatory authority.

Many product candidates never reach the stage of field trials and even those that do have only a small chance of successfully completing the trial stage and gaining regulatory approval. Product candidates may fail for a number of reasons. Positive results of early field testing may not be indicative of favorable outcomes in later-stage field testing. The Company can make no assurance that any future studies, if undertaken, will yield favorable results. The early stage of the Company's product development makes it particularly uncertain whether any of its product development efforts will prove to be successful and meet applicable regulatory requirements, and whether any of its product candidates will receive the requisite regulatory approvals, be capable of being manufactured at a reasonable cost or be successfully marketed. If the Company is successful in developing its current and future product candidates into approved products, the Company will still experience many potential obstacles such as the need to develop or obtain manufacturing, marketing and distribution capabilities. If the Company is unable to successfully commercialize any of its products, its financial condition and results of operations may be materially and adversely affected.

Financial Risks

The Company is in the research and development stage, has operated and is expected to operate at a loss until one of its lines of business becomes established and therefore may require additional financing in order to complete its research and development and to fund its ongoing and future operations. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or the going out of business. The Company's ability to secure any required financing to sustain its operations will depend in part upon prevailing capital market conditions, as well as the Company's business success. There can be no assurance that the Company will be successful in its efforts to secure any additional financing or additional financing on terms satisfactory to the Company's management. If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and

privileges superior to those of holders of Common Shares. In addition, from time to time, the Company may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed wholly or partially with debt, which may temporarily increase the Company's debt levels above industry standards.

Environmental Liabilities

The Company is subject to certain environmental, health and safety laws and regulations, including laws and regulations relating to the emission of contaminants to the air and the treatment and disposal of biological wastes and emissions. Specifically, the Company's research and development and manufacturing processes may result in the release of certain biological emissions. At present, the Company manages these emissions through containment and treatment of such emissions. The Company cannot eliminate the risk of accidental contamination or discharge and any injury resulting from these waste materials and emissions.

In addition, the Company may have to incur significant costs to comply with future environmental laws and regulations. The Company cannot predict the impact of new governmental regulations that might have an adverse effect on the research, development, production and marketing of its products, if any. The Company may be required to incur significant costs to comply with current or future laws or regulations. Its business may be harmed by the cost of compliance.

The Company's collaborators may use hazardous materials in connection with its collaborative efforts. To the Company's knowledge, their work is performed in accordance with applicable biosafety regulations. In the event of a lawsuit or investigation, however, the Company could be held responsible for any injury caused to persons or property by exposure to, or release of, hazardous materials used by these parties. Further, the Company may be required to indemnify its collaborators against all damages and other liabilities arising out of these development activities or products produced in connection with these collaborations.

Regulatory Compliance

If the Company is unable to comply with regulations applicable to the Company's operations, procedures or facilities, its research and development or manufacturing activities could be delayed, limited or ceased. If the Company is required to limit or cease its research and development activities, its ability to develop new products would be impaired. In addition, if the Company is required to limit or cease its manufacturing activities, its ability to produce its products in commercial quantities would be impaired or prohibited, which would harm the Company's business.

Dependence on Management and Key Personnel

The Company strongly depends on the business and technical expertise of its management team and there is little possibility that this dependence will decrease in the near term. The Company's success will depend in large measure on certain key personnel. The loss of the services of such key personnel may have a material adverse effect on the Company's business, financial condition, results of operations and prospects. The contributions of the existing management team to the immediate and near term operations of the Company are likely to be of central importance. In addition, the competition for qualified personnel in the biological /agricultural industry is competitive and 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. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of the Company.

Success of Collaboration Agreements

The Company has relationships with corporate and institutional/academic collaborators, some of whom conduct research at the Company's request or assist the Company in formulating its research and development strategies. These scientific collaborators are not the Company's employees and such collaborators may have commitments to, or consulting or advisory contracts with, companies that conflict in interests with and pose a competitive threat to MustGrow. Moreover, to the extent that the Company decides to enter into collaboration agreements, it will face significant competition in seeking appropriate collaborators. Collaboration arrangements are complex, and time consuming to negotiate, document and implement. The Company may not be successful in its efforts to establish,

implement and maintain collaborations or other alternative arrangements if it chooses to enter into such arrangements and its selected partners may be given, and may exercise, a right to terminate their agreement with the Company without cause. The terms of any collaboration or other arrangements that the Company may establish may not be favorable to it.

See "*Description of the Company's Business – Commercial Collaborations*".

Insurance Coverage

The Company currently maintains directors and officers liability insurance and property and general liability insurance. This insurance may not remain available to the Company or be obtainable at commercially reasonable rates, and the amount of the Company's coverage may not be adequate to cover any liability it incurs. Future increases in insurance costs, coupled with the increase in deductibles, will result in higher operating costs and increased risk. If the Company were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Company were to incur such liability at a time when it is not able to obtain liability insurance, its business, results of operations and financial condition could be materially adversely affected.

Product Recalls

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of the Company's products are recalled due to an alleged product defect or for any other reason, the Company could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Company may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although the Company intends to implement detailed procedures for testing finished products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of the Company's products were subject to recall, the image of the Company could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for the Company's products and could have a material adverse effect on the results of operations and financial condition of the Company. Additionally, product recalls may lead to increased scrutiny of the Company's operations by regulatory agencies, requiring further management attention and potential legal fees and other expenses.

Employee Misconduct or other Improper Activities

The Company is exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include intentional failures to comply with regulations of domestic or foreign regulatory authorities. In addition, misconduct by employees could include intentional failures to comply with certain development standards, to report financial information or data accurately, or to disclose unauthorized activities to the Company. Employee misconduct could also involve the improper use of information obtained in the course of field trials and testing, which could result in regulatory sanctions and serious harm to the Company's reputation. While prohibited, it is not always possible to identify and deter employee misconduct, and the precautions the Company takes to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Company from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against the Company, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on the Company's business and results of operations, including the imposition of significant fines or other sanctions.

Risks Related to the Company's Securities

Volatile Market Price of the Common Shares

The market price for securities of biotechnology companies, including the Company's, have historically been volatile and subject to wide fluctuations in response to various factors, many of which are beyond the Company's control,

which may affect the ability of the Company's shareholders to sell their securities at an advantageous price. The Company's failure to meet expectations, downward revision in securities analysts' estimates, adverse changes in general market conditions or economic trends, acquisitions, dispositions, industry related developments, results of product development or commercialization, changes in government regulations or other material public announcements by the Company or its competitors, along with a variety of additional factors may affect market fluctuations. The market price of the Common Shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. There can be no assurance that continuing fluctuations in price and volume will not occur.

Financial markets have at times historically experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. In recent years, the securities markets in the US and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price. Accordingly, the market price of the Common Shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the trading price of the Common Shares may be materially adversely affected.

Holders of Warrants have No Rights as a Shareholder

Until a holder of warrants acquires warrant shares upon exercise of warrants, such holder will have no rights with respect to the warrant shares underlying such warrants. Upon exercise of such warrants, such holder will be entitled to exercise the rights of a common shareholder only as to matters for which the record date occurs after the exercise date.

Dilution

The Company may issue additional securities in the future, including pursuant to acquisitions completed from time to time, which may dilute a shareholder's holdings in the Company. The Company's articles permit the issuance of an unlimited number of Common Shares, and shareholders will have no pre-emptive rights in connection with such further issuance. The directors of the Company have discretion to determine the price and the terms of further issuances subject to applicable securities laws and stock exchange rules. Moreover, additional Common Shares will be issued by the Company on the exercise of options under the Company's stock option plan and upon the exercise of outstanding warrants.

Subordination of Common Shareholders to MustGrow's Lenders

In the event of bankruptcy, liquidation or reorganization of the Company, holders of its debt and its trade creditors will generally be entitled to payment of their claims from the assets of the Company before any assets are made available for distribution to the Company or shareholders. The Common Shares are effectively subordinated to the debt and other obligations of the Company.

Senior Ranking of Future Offerings of Debt or Equity Securities

If the Company decides to issue debt or equity securities in the future ranking senior to the Common Shares or otherwise incur additional indebtedness, it is possible that these securities or indebtedness will be governed by an indenture or other instrument containing covenants restricting the Company's operating flexibility and limiting the Company's ability to pay dividends to shareholders. Additionally, any convertible or exchangeable securities that the Company issues in the future may have rights, preferences and privileges, including with respect to dividends, more favorable than those of the Common Shares and may result in dilution to shareholders. Because the Company's decision to issue debt or equity securities in any future offering or otherwise incur indebtedness may depend on market conditions and other factors beyond the Company's control, it cannot predict or estimate the amount, timing or nature of the Company's future offerings or financings, any of which could reduce the market price of the Common Shares and dilute the value of the Common Shares.

Future Sales of Common Shares by Officers and Directors

Subject to compliance with applicable securities laws, directors and officers of the Company and their affiliates may sell some or all of their Common Shares in the future. No prediction can be made as to the effect, if any, such future sales of Common Shares may have on the market price of the Common Shares prevailing from time to time. However, the future sale of a substantial number of Common Shares by the directors and officers of the Company and their affiliates, or the perception that such sales could occur, could adversely affect prevailing market prices for the Common Shares.

No Assurance of Active and Liquid Market for Securities

The Common Shares are listed on the CSE, the OTCQX and the German Frankfurt exchange; however, there can be no assurance that an active and liquid market for the Common Shares will develop or be maintained and an investor may find it difficult to resell any securities of the Company. If an active or liquid market for the Common Shares fails to be sustained, the prices at which such shares trade may be adversely affected and holders of Common Shares may be unable to sell their investment on satisfactory terms. Whether or not the Common Shares will trade at lower prices depends on many factors, including the liquidity of the Common Shares, prevailing interest rates and the markets for similar securities, general economic conditions and the Company's financial condition, historic financial performance and prospects. Other factors unrelated to the Company's performance that may have an effect on the price and liquidity of the Company's securities include the extent of the analytical coverage, lessening in trading volume and general market interest in the Company's securities, the size of the Company's public float and any event resulting in a delisting of the Common Shares. Moreover, the issuance by the Company of Common Shares on the exercise of options under the Company's stock option plan and upon the exercise of outstanding Warrants and the subsequent resale of such Common Shares in the public market could also adversely affect the prevailing market price.

No Dividends Policy

The Company has not declared a dividend since incorporation and does not anticipate doing so in the foreseeable future. Any future determination as to the payment of dividends will be at the discretion of the Board and will depend on the availability of profit, operating results, the financial position of the Company, future capital requirements and general business and other factors considered relevant by the directors of the Company. No assurances in relation to the payment of dividends can be given. See "*Dividends*".

DIVIDENDS

There are no restrictions in the Company's articles or by-laws or pursuant to any agreement or understanding which could prevent the Company from paying dividends. The Company has never declared or paid any dividends on any class of securities. The Company currently intends to retain future earnings, if any, to fund the development and growth of its business, and does not intend to pay any cash dividends on the Common Shares for the foreseeable future. Any decision to pay dividends on the Common Shares in the future will be made by the Board on the basis of earnings, financial requirements and other conditions existing at the time.

CAPITAL STRUCTURE

Common Shares

The Company's authorized capital stock consists of an unlimited number of Common Shares, of which 43,462,566 Common Shares are issued and outstanding as of August 24, 2021.

All Common Shares rank equally as to dividends, voting powers and participation in the distribution of assets. All holders of Common Shares are entitled to receive notice of any meetings of shareholders of the Company, and to attend and cast one vote per Common Share at all such meetings. Holders of Common Shares do not have cumulative voting rights with respect to the election of directors. Holders of Common Shares are entitled to receive on a pro rata basis such dividends, if any, as and when declared by the Board at its discretion from funds legally available therefore, and upon the liquidation, dissolution or winding up of the Company are entitled to receive on a pro rata basis the net

assets of the Company after payment of liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro rata basis with the holders of Common Shares with respect to dividends or liquidation. The Common Shares do not carry any preemptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

Options

As at August 24, 2021, the Company had 3,725,000 stock options (the "**Options**") issued and outstanding.

The Stock Option Plan of the Company (the "**Plan**") provides that the Board may, from time to time, grant to directors, officers, employees and consultants of the Company Options to purchase Common shares. The maximum number of Common shares reserved for issuance under the Plan at any point and time is 10% of the issued and outstanding Common Shares. The maximum period during which an Option is exercisable shall be ten (10) years from the date the Option is granted. The Option price per Common Share shall be fixed by the Board at the time of granting the Option and shall not be less than permitted by any applicable stock exchange on which the Common Shares may be listed.

Warrants

As at August 24, 2021, the Company had 3,389,194 warrants to purchase Common Shares, issued and outstanding with a weighted average exercise price of \$0.40.

MARKET FOR SECURITIES

Common Shares

The following table sets out the price range and trading volume of the Common Shares, as reported by the CSE, during the most recently completed financial year:

Date	High (\$)	Low (\$)	Trading Volume
January 2020	0.70	0.385	2,453,039
February 2020	0.90	0.35	4,894,778
March 2020	0.50	0.29	1,449,581
April 2020	0.435	0.31	939,752
May 2020	0.36	0.25	1,341,924
June 2020	0.36	0.255	1,591,423
July 2020	0.36	0.25	1,157,555
August 2020	0.47	0.33	1,236,175
September 2020	0.45	0.325	1,859,785
October 2020	0.44	0.36	1,599,229
November 2020	0.80	0.37	3,362,911
December 2020	1.29	0.7	6,936,344

PRIOR SALES

The following tables summarize details of the following securities that are not listed or quoted on a market place issued by MustGrow, during the most recently completed financial year end.

Options

Pursuant to MustGrow's Stock Option Plan, during the most recently completed financial year, MustGrow issued the following Options exercisable for Common Shares:

Date of Issuance	Number of Options ⁽¹⁾	Exercise Price	Expiry Date	Optionees
May 1, 2020	1,050,000 ⁽²⁾	\$0.34	April 30, 2025	Management and directors
December 14, 2020	250,000	\$1.05	December 14, 2025	Director
January 14, 2021	50,000	\$2.10	January 14, 2026	Consultant

Notes:

- (1) Vested and non-vested.
- (2) Options granted to management and directors of the Company. Each option entitles the holder thereof to acquire one Common Share at a price of \$0.34 per Common Share exercisable until April 30, 2025 and 25% of the options granted vests on the date of grant and 25% on each anniversary of the date of grant.

Warrants

During the most recently completed financial year, MustGrow issued the following warrants:

Date of Issuance	Number of Warrants	Exercise Price	Expiry Date
January 20, 2020	550,000	\$0.40	January 20, 2022
May 1, 2020	1,400,000	\$0.35	May 1, 2022
June 16, 2020	100,000	\$0.28	June 16, 2022
September 11, 2020	650,000	\$0.35	September 11, 2022
December 1, 2020	100,000	\$0.78	December 1, 2022

All warrants were issued to certain consultants of the Company. Each warrant entitles the holder thereof to acquire one Common Share at the exercise price, up to the expiry date.

DIRECTORS AND MANAGEMENT

The Board (each of whom has been appointed to hold office until the close of MustGrow's next annual general meeting) and management of MustGrow currently consist of the following individuals:

Name, Position with MustGrow and Residence	Principal Occupation During the Last Five Years	Date of First Appointment as a Director or Officer	Number of Common Shares Held
Corey Giasson Saskatoon, SK <i>CEO and Director</i>	CEO and Director of the Company since March 2018; CEO and Director of MPT since June 2017; CEO and Director of CJG Consulting Inc. since July 2008.	March 15, 2018	1,346,594 ⁽²⁾ (3.1%)
Todd Lahti Saskatoon, SK <i>CFO</i>	CFO of the Company since December 2018, President and Director of Pembroke Capital Advisors Inc. since 1997.	December 17, 2018	709,957 (1.6%)

Colin Bletsky Saskatoon, SK <i>COO and Director</i>	COO of the Company since September 2018; previously, with Novozymes A/S BioAg business from 2010 to 2018, and CEO and Director of CNB Ag Consulting Ltd. Since June 2018.	March 15, 2018 (Director) September 1, 2018 (COO)	1,452,364 ⁽³⁾ (3.3%)
Bradley Munro ⁽¹⁾ Saskatoon, SK <i>Director (Chairman)</i>	President and CEO of Bittercreek Capital Corporation. Board of Secur Energy Services	March 15, 2018	856,420 ⁽⁴⁾ (2.0%)
Brian Quigley ⁽¹⁾ Richmond, VA <i>Director</i>	COO of Respira Technologies, Inc. since July 2020; previously, Co-Founder of Green Sky Strategy Consultin, LLC from March 2019 to June 2020; previously, CEO and President of Nu Mark LLC from June 2018 to January 2019; previously, CEO and President of U.S. Smokeless Tobacco Company LLC since April 2012 to May 2018	July 17, 2019	286,000 (0.7%)
David Borecky ⁽¹⁾ San Francisco, CA <i>Director</i>	CFO of Impossible Foods Inc. since June 2021; previously, Interim CFO of Impossible Foods Inc. from January 2021 to June 2021; previously, Vice President and Chief Accounting Officer of Impossible Foods Inc. from June, 2019 to January 2021; previously, Controller of Stripe Inc. from August 2016 to June 2019	December 14, 2020	Nil
Matt Kowalski Spring, TX <i>Director</i>	Co-owner of Kowaltek Restaurant Group since 2013; Principal of Stronghold Keep Inc. since 2013; previously, President and CEO of Natural Industries, Inc. from 2002 to 2012.	May 31, 2018	184,414 (0.4%)
Thomas Flow Kelowna, BC <i>Director</i>	Interim COO of The Flowr Corporation since May 2021; Director of The Flowr Corporation since August 2020; previously, Managing Partner and Director of The Flowr Corporation from June 2019 to August 2020; Co-CEO and Director of The Flowr Corporation from November 2018 to June 2019; President and Director of The Flowr Corporation from October 2018 to November 2018; CEO and Director of The Flowr Corporation from July 2018 to October 2018; President and Director of The Flowr Corporation from September 2017 to July 2018; CEO, President and Director of The Flowr Corporation from 2016 to September 2017	May 31, 2018	184,812 ⁽⁵⁾ (0.4%)

Notes:

- (1) Members of the Audit Committee.
- (2) Represents the Common Shares beneficially owned or controlled or directed, directly or indirectly by Mr. Giasson: 392,800 Common Shares are held directly, 636,364 Common Shares are held by Hollcore Holdings Inc., a corporation controlled by Mr. Giasson, 313,430 Common Shares are held by Mr. Giasson's spouse and 4,000 Common Shares are held by Mr. Giasson's children.
- (3) Represents the Common Shares beneficially owned or controlled or directed, directly or indirectly by Mr. Bletsky: 1,211,364 Common Shares are held directly and 241,000 Common Shares are held by Mr. Bletsky's spouse.
- (4) Represents the Common Shares beneficially owned or controlled or directed, directly or indirectly by Mr. Munro: 440,713 Common Shares are held directly and 415,707 Common Shares are held by Bittercreek Capital Corp., a corporation controlled by Mr. Munro.
- (5) Represents the Common Shares held by Tom Flow Investments Inc., a corporation controlled by Mr. Flow.

As at the date of this AIF, as a group, the directors and executive officers of MustGrow beneficially own, or exercise control or direction over, directly or indirectly, a total of 5,020,561 Common Shares, representing approximately 12% of the currently issued and outstanding Common Shares (excluding the Common Shares issuable upon the exercise of the aggregate of 3,500,000 Options or of the aggregate of 428,257 warrants held by the directors and executive officers of the Company).

Set forth below is a brief description of the background of the directors and executive officers of the Company, including a description of each individual's principal occupation(s) within the past five years.

Corey Giasson, CEO and Director

Mr. Corey Giasson is currently the Chief Executive Officer of the Company. He is an entrepreneur who has been focused on the agriculture, potash, oil and gas, mining, and real estate industries specifically in his home province of Saskatchewan, for the past 20 years.

In 2009, Mr. Giasson co-founded a Saskatchewan based heavy oil company, Rallyemont Energy Inc., where he served as President and CEO. Rallyemont successfully explored for and delineated the Prince Thermal Heavy Oil Project and sold to Husky Energy in December 2013. Prior to Rallyemont, Mr. Giasson was an independent consultant to a group of companies, including PanWestern Energy Inc. (TSXV-PW), Infrastructure Materials Corp. (OTCBB-IFAM), and Anglo Potash Ltd. (TSXV-AGP) ("**Anglo**"), which was formerly Anglo Minerals Ltd. (TSXV-ALM). At Anglo, he held the title of Vice President, Business Development and Investor Relations and was instrumental in marketing the company across Canada and into Europe. Anglo was acquired by its joint venture partner, BHP Billiton, in July 2008 for \$284 million.

Prior to joining Anglo, Mr. Giasson was employed by PotashCorp, where he held the title of Manager, Market Research. He has a MBA and B.Sc. in Agriculture Economics, both from the University of Saskatchewan.

Todd Lahti, CFO

Mr. Todd Lahti is currently the Chief Financial Officer of the Company. He has extensive experience evaluating and managing start-up companies in the biotechnology, agricultural and oil and gas sectors, working directly on financing transactions, mergers and acquisitions, corporate strategy, business development, technology transfer and operations set up. Previously, he was Treasurer of PartnerRe Ltd., one of the largest reinsurance companies in the world. There he participated in large international mergers and acquisitions and financing initiatives and had responsibilities in investment management, investor relations, capital management and financial operations. He has closed over 50 mergers and acquisitions, financing and licensing transactions totaling over USD \$2.4 billion. He is a Chartered Financial Analyst and a Chartered Professional Accountant.

Colin Bletsky, COO and Director

Mr. Colin Bletsky is currently the Chief Operating Officer of the Company where he is responsible for helping growers produce pest free crops utilizing natural, science-based technologies. With a passion for utilizing natural technologies, he is also helping producers and consumers in multiple industries understand what nature has to offer to help in production, shipping and storage of food.

During his time as Vice President of Novozymes A/S (NZYM.B-DK) ("**Novozymes**"), Mr. Bletsky was responsible for managing the company's global BioAg business, ensuring sustainable growth for Novozymes and its partners. Within his role, Mr. Bletsky set strategy and direction, and managed partnering activities with internal and external stakeholders and was also a member of the Monsanto and Novozymes Alliance board. From 2010 to 2014, Mr. Bletsky worked in Novozymes BioAg Business Development and Account Management, which spanned North America, South America, Australia, Europe and Asia.

Mr. Bletsky gained agricultural experience through his time in the retail and seed industry with several companies, including Pioneer, in rural Saskatchewan in the late 1990s. He then spent close to ten years with increasing management and project responsibilities in sales and marketing, nationally and internationally, in the crop protection industry with Syngenta.

In addition to Mr. Bletsky's three decades of agricultural business experience and holds a Bachelor of Science in Agriculture from the University of Saskatchewan. He holds Executive education from both the London School of Business and INSEAD and was a Certified Crop Advisor.

Brad Munro, Chairman of the Board

Mr. Brad Munro is an independent businessperson and President & CEO of Bittercreek Capital Corporation, a private investment firm, since 2006. From 1991 to 2009, Mr. Munro served in senior investment roles in the private equity/venture capital industry in Canada. Mr. Munro holds a Bachelor of Commerce degree from the University of Saskatchewan and has 30 years of experience in investment management, board and c-suite management across a wide variety of industries. Mr. Munro has served on the board of Secure Energy Services since 2009 and as Lead Director since 2020. He was part of the Special Committee to the Board in the merger of Secure Energy and Tervita Corp, and will continue to serve on the board of the combined company operating as Secure Energy.

Brian Quigley, Director

Mr. Brian Quigley brings over 20 years of Brand Building, Marketing, Operations, Leadership and General Management experience to the board. Mr. Quigley is presently the COO of Respira Technologies Inc, a venture backed health technology company focused on commercializing breakthrough inhalation technologies.

Mr. Quigley spent 16 years at Altria Group, with 7 years as President & CEO for U.S. Smokeless Tobacco and Nu-Mark, Altria's innovation Company. In his time at Altria, Mr. Quigley spearheaded the companies Harm Reduction strategies and worked to deliver results by creating change in the U.S. Tobacco business. Prior to Altria, Mr. Quigley held branding and leadership roles with several companies, including Pinnacle Foods Corporation, International Home Foods, which is now part of ConAgra, Inc., and in the advertising industry. Mr. Quigley has launched dozens of new products, created consumer focused innovation strategies and built businesses and cultures that deliver results. Mr. Quigley is motivated by helping to change lives with meaningful brands.

A graduate of the University of New Hampshire, Mr. Quigley serves on the Board of Trustees of the Virginia Foundation for Independent Colleges.

David Borecky, Director

Mr. David Borecky is currently CFO at Impossible Foods Inc, where he leads the accounting, finance, treasury, investor relations, tax, and information technology functions. Impossible Foods is a technology platform company with a mission is to restore biodiversity and reduce the impact of climate change by transforming the global food system. To achieve this, the company develops and produces delicious, nutritious, affordable and sustainable meat, fish and dairy from plants

Mr. Borecky was previously Controller at financial technology infrastructure provider, Stripe Inc., where he scaled and managed various accounting, finance, and treasury functions from 2016 to 2019. From 2014 through 2016, Mr. Borecky held senior management positions at mobile payments and point of sale solution provider, Square Inc. (NYSE:SQ), where he built global finance and accounting operations and worked alongside executives to successfully

lead Square's IPO registration process. He also drove corporate development initiatives where he was responsible for sourcing, executing, and integrating strategic acquisitions. Prior to Square, Mr. Borecky held leadership roles in treasury and finance at OpenText Corp. (NASDAQ/TSX:OTEX), a global leader in enterprise information management and Canada's largest publicly traded software company.

Mr. Borecky holds an honors degree in business from Wilfrid Laurier University and a Masters degree from Schulich School of Business at York University. He is a Canadian Chartered Accountant, a U.S. Certified Public Accountant, and also holds the CIM, PFP, and CF designations.

Matt Kowalski, Director

Mr. Matt Kowalski has extensive experience in the fruit and vegetable and biologics industries. He became president of Natural Industries, a family founded business focused on biological pest control, from 2002-2012. Under his leadership, Natural Industries was awarded five EPA registrations; three biofungicides, a bionematicide and a bioinsecticide. He worked closely with researchers, distributors and growers, pioneering the effort to educate the industry and push for a wider adoption of biologicals as whole. In addition, Mr. Kowalski spearheaded international distribution and long-term strategic partnerships, decisively positioning the company for global expansion.

In November 2012, Mr. Kowalski led the strategic sale of Natural Industries to Novozymes BioAg. At Novozymes, he became part of the Global Business Development team taking his place as the biocontrol manager for Novozymes. Matt left Novozymes in April of 2015. Presently, he is the co-owner of Kowaltek Restaurant Group. His current investments, which include real estate, hospitality, and biotechnology, are directed through his investment corporation, Stronghold Keep Inc. He also sits on the board of directors for VRM Labs, a startup that has a patented natural antioxidant preservative for pet and animal feed.

Thomas Flow, Director

Mr. Thomas Flow is the founder and President of The Flowr Corporation. Previous to that he was the co-founder and Chief Operating Officer of MedReleaf, which was recently sold for \$3.2B. Tom is an advisor and sits on the board of several cannabis companies. He is widely-recognized for cannabis thought leadership and expertise building and operating cannabis cultivation facilities.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES AND SANCTIONS

Other than as set out below, no individual set forth in the above table is, as at the date hereof, or was, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days and that was issued while such individual was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after such individual ceased to be a director, chief executive officer or chief financial officer, and which resulted from an event that occurred while such individual was acting in the capacity as director, chief executive officer or chief financial officer.

Other than as set out below, no individual set forth in the above table or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, nor any personal holding company of any such individual:

- (a) is, as of the date hereof, or has been within 10 years before the date hereof, a director or executive officer of any company (including the Company) that, while such individual was acting in that capacity, or within a year of such individual ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such individual; or
- (c) has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Brad Munro

Mr. Munro was a director of ATK Oilfield Transportation Inc. ("ATK"), a private oilfield services company, until April 1, 2016 when ATK was placed into receivership following an application by its creditors.

Thomas Flow

Mr. Flow was declared bankrupt on April 6, 2011. On January 7, 2012, Mr. Flow was discharged pursuant to subsection 168.1(1) of the *Bankruptcy and Insolvency Act* (Canada) from all debts, except those matters referred to in subsection 178(1) of the *Bankruptcy and Insolvency Act* (Canada).

CONFLICTS OF INTEREST

There are currently no other existing or potential material conflicts of interests between the Company and any of its directors and officers other than those otherwise set out herein.

AUDIT AND RISK COMMITTEE INFORMATION

Charter of the Audit Committee

The full text of the current Audit Committee's Charter is attached as Schedule "A" to this AIF.

Composition of the Audit Committee

The members of the Audit Committee are Brad Munro, Brian Quigley and David Borecky, all of which are independent and are considered 'financially literate' (as such terms are defined in National Instrument 52-110 – *Audit Committees* ("NI 52-110")).

Name of Member	Independent⁽¹⁾	Financially Literate⁽²⁾
Brad Munro	Yes	Yes
Brian Quigley	Yes	Yes
David Borecky	Yes	Yes

Notes:

- (1) To be considered independent, a member of the Audit Committee must not have any direct or indirect "material relationship" with the Company. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member's independent judgment. All three Audit Committee members are independent within the meaning of NI 52-110 as he is an officer of the Company.

- (2) To be considered financially literate, a member of the Audit Committee must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements.

Relevant Education and Experience

In addition to each member's general business experience, each of the Audit Committee members have the ability to read and understand financial statements and a majority have had director and/or officer positions with other reporting issuers who are actively involved in financing and fundraising activities.

Brad Munro – Mr. Munro is the President and Chief Executive Officer of Bittercreek Capital Corporation, a private investment and advisory firm. Mr. Munro holds a Bachelor of Commerce degree from the University of Saskatchewan and has extensive experience in corporate finance and investment in a wide range of industries. Mr. Munro has held various senior positions requiring regular review of financial statements and has served as an audit committee member, including as Chairman, for a number of publicly traded companies.

Brian Quigley – Mr. Quigley is Chief Operating Officer of Respira Technologies, Inc. and has extensive experience with privately held and publicly traded companies and their financial operations including internal controls and financial reporting. He is a graduate of the University of New Hampshire.

David Borecky – Mr. Borecky is currently Chief Financial Officer of Impossible Foods Inc., a large privately held company in the United States. In this position he has overall responsibility for financial operations, internal controls, financial statement preparation and financial reporting. Mr. Borecky had similar responsibilities in his prior positions at Impossible Foods, Stripe Inc. and OpenText Corp. He is a Canadian Chartered Accountant, a U.S. Certified Public Accountant, and also holds the CIM, PFP, and CF designations.

See the respective biographies of each member of the Audit Committee in "*Directors and Management*" for more detailed description of the experience.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption provided under section 2.4 of NI 52-110 (*De Minimis Non-Audit Services*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (*Exemptions*). However, the Company is not required to comply with Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*) of NI 52-110 given that it is a venture issuer as defined in NI 52-110.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the audit committee to nominate or compensate an external auditor not adopted by the Board.

Pre-Approval Policies and Procedures

The audit committee reviews the Company's financial statements and certain other documents required by regulatory authority. The audit committee also review the performance of the external auditors and recommends to the Board the selection and compensation of the external auditors. In addition, the audit committee also responsible for, among other things, the pre-approval of any non-audit services to be provided to the Company by the Company's external auditors, except where: (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of fees paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided; (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services; and (iii) such services are promptly brought to the attention of the audit committee and approved prior to the completion of the audit by the audit committee or by one or more members of the audit committee who are members of the Board to whom authority to grant such approvals has been delegated by the audit committee; provided the pre-approval of the non-audit services is presented to the audit committee's first scheduled

meeting following such approval, such authority may be delegated by the audit committee to one or more independent members of the audit committee.

See audit committee's charter attached hereto as Schedule "A" under the heading "*External Auditors*" for more details.

External Auditor Service Fees

The aggregate fees billed by the Company's external auditors in each of the last two financial years for audit fees are as follows:

Financial Year Ending	Audit Fees⁽¹⁾	Audit-Related Fees⁽²⁾	Tax Fees⁽³⁾	All Other Fees⁽⁴⁾
December 31, 2020	\$46,000	Nil	\$2,000	Nil
December 31, 2019	\$31,000	Nil	\$2,000	\$76,000

Notes:

- (1) "**Audit Fees**" are the aggregate fees billed by the Company's external auditor for services provided for the audit of the Company's annual financial statements.
- (2) "**Audit-Related Fees**" are the aggregate fees billed for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements, and not included under "Audit Fees".
- (3) "**Tax Fees**" are the aggregate fees billed by the Company's external auditor for tax compliance, tax advice and tax planning services.
- (4) "**All Other Fees**" are the aggregate fees billed by the Company's external auditor for products and services not included in the other categories of fees described above.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is not and was not a party to, and none of its property is or was the subject of, any legal proceedings during the Company's most recently completed financial year, nor does the Company contemplate any such legal proceedings.

To the knowledge of the Company, during the financial year ended December 31, 2020, there were no: (i) penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority; (ii) any other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision; or (iii) settlement agreements the Company entered into before a court relating to securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as described elsewhere in this AIF, there have been no related party transactions in the three most recently completed financial years of MustGrow that required disclosure under any applicable Canadian securities laws.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares is Computershare Investor Services located at 650 West Georgia St., Suite 2700 Vancouver, BC V6B 4N9.

MATERIAL CONTRACTS

The following are material contracts of MustGrow required to be filed on SEDAR pursuant to National Instrument 51-102 – *Continuous Disclosure Obligations*:

- (a) Investment and Security Agreement dated January 10, 2011, as amended by Amendment to Investment and Security Agreement dated May 5, 2017 entered into between Ag-West Bio Inc. ("AWB"), MPT and the Company (the "ISA"). Under the terms of the ISA, the Company borrowed from and is indebted to AWB \$382,271 and will pay AWB a royalty of 5% of all gross revenues received by the Company or an affiliate commencing on the date the Company or its affiliates have attained \$500,000 in cumulative revenues and continuing indefinitely. The maximum amount AWB may receive under the ISA is \$750,000, with the first \$382,271 payments to be applied to pay down the principal outstanding. AWB has retained its general security interest in all of the Company's assets.
- (b) Agreement between the Government of Saskatchewan (the "**Ministry**") and Nemetrol Inc. ("**Nemetrol**") dated effective June 22, 2001 as amended by an Assumption Agreement among the Ministry, Nemetrol and MPT, dated effective September 21, 2010, as further amended by an addendum dated effective April 4, 2017 between the Ministry and MPT, and further amended by an addendum effective March 15, 2020 between the Ministry and MustGrow. Pursuant to the terms of the agreement, as amended, MustGrow borrowed from and is indebted to the Ministry in the principal amount of \$377,062.26 which will be due on March 1, 2022, with no interest accruing until this point in time. Commencing on the earlier of March 2, 2022 and the day on which MustGrow earns cumulative revenue in excess of \$250,000 from the commercial sale of the products or technology, interest will be accrued at the prime rate of the Royal Bank of Canada plus 2%, calculated and compounded monthly, on any principal amount of the loan outstanding from time to time, which is increased to 10% per annum for any principal and interest in arrears.

INTERESTS OF EXPERTS

Ernst & Young LLP are the auditors of the Company, prepared an auditor's report to the shareholders of the Company on the consolidated statements of financial position as at December 31, 2020 and 2019, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended December 31, 2020 and 2019. Ernst & Young LLP has confirmed that it is independent with respect to the Company within the meaning of Code of Professional Conduct of Chartered Professional Accountants of Saskatchewan.

ADDITIONAL INFORMATION

Additional information relating to MustGrow may be found on SEDAR at www.sedar.com. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of MustGrow's securities, and securities authorized for issuance under equity compensation plans, if applicable, is contained in MustGrow's information circular dated May 26, 2021, a copy of which has been filed on SEDAR and is available at www.sedar.com under the Company's profile. Additional financial information is provided in MustGrow's audited consolidated financial statements and management's discussion and analysis for MustGrow's most recently completed financial year, copies of which have been filed on SEDAR and are also available at www.sedar.com under the Company's profile.

SCHEDULE "A"

MUSTGROW BIOLOGICS CORP. AUDIT COMMITTEE CHARTER

Mandate

The primary function of the audit committee (the "**Committee**") is to assist the board of directors (the "**Board**") in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Corporation's systems of internal controls regarding finance and accounting, and the Corporation's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Corporation's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Corporation's financial reporting and internal control systems and review the Corporation's financial statements;
- Review and appraise the performance of the Corporation's external auditors; and
- Provide an open avenue of communication among the Corporation's auditors, financial and senior management and the Board.

Composition

The Committee is to be comprised of at least three directors as determined by the Board, the majority of whom shall be free from any relationship that, in the opinion of the Board, would reasonably interfere with the exercise of his or her independent judgment as a member of the Committee. At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Audit Committee's Charter, the definition of "**financially literate**" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Corporation's financial statements. The members of the Committee shall be elected by the Board at its first meeting following the annual shareholders' meeting.

Meetings

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

- (a) Review and update this Charter as required;
- (b) Review the Corporation's financial statements, MD&A and any annual and interim earnings, press releases before the Corporation publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to

any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors; and

- (c) Confirm that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements.

External Auditors

- (a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Corporation;
- (b) Obtain annually, a formal written statement of the external auditors setting forth all relationships between the external auditors and the Corporation, consistent with the Independence Standards Board Standard 1;
- (c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors;
- (d) Take, or recommend that the full Board take appropriate action to oversee the independence of the external auditors;
- (e) Recommend to the Board the selection and compensation and, where applicable, the replacement of the external auditors nominated annually for shareholder approval;
- (f) Consult with the external auditors, without the presence of management, about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements as needed;
- (g) Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation;
- (h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements;
- (i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Corporation's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - (i) the aggregate amount of all such non-audit services provided to the Corporation constitutes not more than five percent of the total amount of fees paid by the Corporation to its external auditors during the fiscal year in which the non-audit services are provided;
 - (ii) such services were not recognized by the Corporation at the time of the engagement to be non-audit services; and
 - (iii) such services are promptly brought to the attention of the Committee by the Corporation and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee. Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Processes

- (a) In consultation with the external auditors, review with management the integrity of the Corporation's financial reporting process, both internal and external;
- (b) Consider the external auditors' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting;
- (c) Consider and approve, if appropriate, changes to the Corporation's auditing and accounting principles and practices as suggested by the external auditors and management;
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments;
- (e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
- (f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements;
- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;
- (h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;
- (i) Review certification process; and
- (j) Establish a procedure for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

Other - Review any related-party transactions.