MUSTGROW BIOLOGICS CORP.

Management's Discussion and Analysis

For the Three and Nine Months Ended September 30, 2021

General

This management discussion and analysis of financial position and results of operations ("**MD&A**") is prepared as at November 24, 2021 and should be read in conjunction with the unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2021 and related notes of MustGrow Biologics Corp. (the "**Company**"). The unaudited interim condensed consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board ("**IASB**") and interpretations of the IFRS Interpretations Committee ("**IFRIC**").

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

All dollar amounts included therein and in the following MD&A are expressed in Canadian dollars except where noted. This discussion contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made. Additional information regarding the Company, including the Company's annual information form for the year ended December 31, 2020 (the "**AIF**"), is available for viewing on SEDAR (www.sedar.com) under the Company's issuer profile.

History and Description of Business

On March 13, 2018, the Company completed a three-cornered amalgamation pursuant to an amalgamation agreement between the Company, MPT Mustard Products & Technologies Inc. ("**MPT**") and 102023826 Saskatchewan Ltd. ("**Subco**"). Pursuant to the terms of the amalgamation agreement, the Company acquired all of the issued and outstanding MPT common shares and MPT common share purchase warrants in exchange for the Company's common shares and common share purchase warrants and MPT and Subco amalgamated pursuant to the provisions of the *Business Corporations Act* (Saskatchewan). The Company issued one common share for every two MPT common share and one warrant for every two MPT warrants, for aggregate consideration of 10,454,154 common shares (post-consolidation) of the Company and 1,289,837 warrants of the Company being issued to the MPT shareholders and warrant holders.

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

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

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

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

Operations

The Company is developing natural, plant-based biological solutions to replace and/or complement synthetic chemicals used in high value crops and other applications.

The research, development and regulatory pathway for biological pesticides and herbicides typically begins with laboratory work that verifies that the active ingredient and formulation will have the desired neutralizing effect on the pest of interest in a controlled environment, at small scale. This laboratory phase may take one to two years and cost up to approximately $100,000 (estimate). If these results are positive, the trial work can proceed to a greenhouse environment where the scale is larger, but conditions remain controlled in the confines of the greenhouse. Validation in the greenhouse phase may take one to two years and cost approximately $100,000 to $500,000 (estimate). If these results are positive, the next step would be to test the potential product in "real world" conditions in field trials. These trials are conducted on the crops and pests of interest in typical, commercial growing environments. These are larger, costlier trials that will typically span a growing season or more and test different application methods and rates. In order to achieve regulatory approval for commercial use of a new biological pesticide/herbicide, additional safety and efficacy trials will be required as determined by the pertinent regulatory agency (for example in the United States, the EPA, and in Canada, the PMRA). This phase of product development may cost approximately $1 million to $5 million or more and take two to three years (estimate). In addition, registration in other foreign jurisdictions may cost approximately $5 million to $10 million and take three to seven years (estimate).

The Company's product development model emphasizes collaboration with industry participants who have substantial resources and experience in pesticide technology commercialization. Typically, industry partners will conduct trials at their expense. Therefore, it is unlikely that the Company would bear the entire product development burden on its own and would be able to access the know-how, research, development and regulatory expertise of industry participants.

The Company's technology pipeline is presented below and describes, for each product, the stage of development and the steps to reach regulatory approval, which will facilitate commercial sales. Please refer to the discussion under the "Technology and Products" section of the Company's AIF filed on SEDAR.

Technology Pipeline

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

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

The time and cost to move from proof of concept to greenhouse trials, field trials and registration will vary based on:

- The efficacy and safety results achieved during trials at each stage, which may require reformulation and repeated trial work to achieve the desired result;
- The uncertainty emanating from regulatory authorities (EPA, PMRA) as to the amount of data required to grant approval for commercial sale; and
- The involvement of industry partners who may accelerate or decelerate activities based on their own priorities.

Financing Activities

For the year ended December 31, 2020, the Company realized proceeds of $1,826,807 on issuance of 4,167,765 common shares related to exercise of warrants and stock options.

During the nine months ended September 30, 2021, the Company realized proceeds of $1,427,359 on issuance of 2,994,717 common shares related to exercise of warrants.

On October 6, 2021, the Company completed a non-brokered private placement of 2,726,611 units at $2.60 per unit for gross proceeds of $7,089,189. See "Subsequent Events".

Results of Operations

For the three and nine months ended September 30, 2021, the Company incurred losses of $696,115 and $1,968,355, compared to losses of $625,767 and $2,432,783 in the corresponding three and nine month periods in 2020. The variation from year to year was driven primarily by the expense levels presented in the table below and the gain on extinguishment of debt of $105,194 recorded in the first quarter of 2020.

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Research and development	$ 57,376	$ 26,237	$ 278,741	$ 89,843
Regulatory	18,353	5,316	43,335	33,860
Corporate communications	33,815	157,700	105,825	862,469
Transfer agent and exchange fees	48,582	31,501	139,879	81,983
Office and administration (note 6)	176,119	122,597	520,909	433,496
Marketing and promotion	120,046	65,335	394,302	209,973
Patent expenses	62,197	38,648	125,065	100,888
Professional fees	66,508	12,730	119,474	68,173
Stock-based compensation (note 5)	112,469	154,149	214,447	622,974
	$ 695,465	$ 614,213	$ 1,941,977	$ 2,503,659

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

The primary components of research and development expenses are presented below.

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Mustard seed extraction, formulation	$ 11,536	$ 2,509	$ 92,530	$ 21,824
Trials	23,093	10,128	102,240	33,037
Management	22,747	13,600	83,971	34,982
	$ 57,376	$ 26,237	$ 278,741	$ 89,843

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

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

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

Corporate communications expense decreased in 2021 due to the following:

- Non-recurring services and communication obligations arising from the expanded shareholder base following the non-brokered private placement of units on December 10, 2019 (the "**2019 Unit Offering**"), which were included in the 2020 results; and
- Increased communications resulting from the listing of the Company's common shares on the OTC and Frankfurt stock exchange, which were included in the 2020 results.

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

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

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Management compensation	$ 156,616	$ 100,004	$ 448,238	$ 363,454
Rent	16,486	16,663	49,743	49,223
Office expenses	3,017	5,930	22,928	20,819
	$ 176,119	$ 122,597	$ 520,909	$ 433,496

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

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

Cash Flows and Financial Position

Cash used in operating activities for the nine months ended September 30, 2021 and 2020 was $1,672,680 and $2,038,160, respectively. The higher level of expenditure in the 2020 period was due to non-recurring services and communication obligations arising from the expanded shareholder base following the 2019 Unit Offering.

Cash provided by financing activities for the nine months ended September 30, 2021 and 2020 was related to exercise of warrants and was $1,427,359 and $347,441, respectively.

Total assets decreased to $3,103,732 at September 30, 2021 from $3,372,050 at December 31, 2020 due to cash used to fund operations, offset by cash realized on exercise of warrants.

Total liabilities increased to $1,105,306 at September 30, 2021 from $1,047,075 at December 31, 2020 due to increased accounts payable and accrued liabilities and accretion of the Saskatchewan Minister of Agriculture loan.

Selected Quarterly Information

The following selected financial data has been prepared in accordance with IFRS and should be read in conjunction with the Company's financial statements. All dollar amounts are in Canadian dollars.

Quarter Ended	Revenue $	Income (loss) for the period $	Income (loss) per Share (Basic & Diluted) $
September 30, 2021	12,869	(695,465)	(0.02)
June 30, 2021	0	(659,978)	(0.02)
March 31, 2021	0	(612,262)	(0.01)
December 31, 2020	0	(877,143)	(0.02)
September 30, 2020	0	(625,767)	(0.02)
June 30, 2020	0	(1,074,514)	(0.03)
March 31, 2020	0	(732,502)	(0.02)
December 31, 2019	0	(485,972)	(0.02)

The Company is not currently subject to seasonality fluctuations and the variation in loss for the quarterly periods reflects increased or decreased levels of research, product development and communications activity. During the quarter ended September 30, 2021, the Company commenced sales of CannaPM, an in-licensed biological treatment for powdery mildew in hemp and cannabis in Canada. The increased loss for the quarter ended June 30, 2020 was due to increased stock-based compensation related to warrant and stock option issuances in the period.

Financial Condition, Liquidity and Capital Resources

The Company's working capital at September 30, 2021 was $2,380,697 including cash of $3,067,476. The Company does not generate positive cash flows. The Company is reliant on equity financing or shareholder loans to provide the necessary cash to acquire or participate in an active business. There can be no assurance that equity financings will be available to the Company in the future that will be obtained on terms satisfactory to the Company.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the financial performance or financial condition of the Company.

Related Party Transactions

During the three and nine months ended September 30, 2021, the Company incurred consulting fees and office rent of $161,116 and $461,738 (2020 – $104,504 and $376,954) to companies controlled by directors and officers of the Company.

During the three and nine months ended September 30, 2021, stock-based compensation related to stock options issued to directors and officers of the Company totaled $87,830 and $137,218 (2020 – $64,761 and $128,621).

At September 30, 2021 there was $23,344 accrued and payable to companies controlled by directors and officers of the Company (December 31, 2020 – $38,939).

Financial Instruments and Risk Management Fair Values

The fair values of cash and equivalents, receivables, trade payables and long-term debt approximate their fair values because of their nature and relatively short maturity dates or durations. The long-term debt is valued using a discounted cash flow model taking into consideration the current market interest rate of interest with similar term to maturity and the Company's current credit quality. As at September 30, 2021, the fair value of the long-term debt is $735,749 (December 31, 2020 - $696,503).

(a) Financial Risk Management

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

(b) Financial Instrument Risk Exposure

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

Credit Risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk includes cash and receivables. The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions. The receivables consist primarily of tax receivables due from federal government agencies. The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

Market Risk

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

(a) Interest rate risk

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

(b) Foreign currency risk

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

(c) Price risk

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

Changes in IFRS Accounting Policies and Future Accounting Pronouncements

New accounting standards adopted

None.

Accounting standards issued but not effective

Amendments to IAS 1 In January 2020, IASB issued Classification of Liabilities as “Current” or “Non-current”, which amends IAS 1.

The narrow scope amendments affect only the presentation of liabilities in the statement of financial position and not the amount or timing of its recognition. The amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the right to defer settlement by at least 12 months. That classification is unaffected by the likelihood that an entity will exercise its deferral right. The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and are to be applied retrospectively. The Company is still assessing the impact of adopting these amendments on its financial statements.

Amendments to IAS 8 In February 2021, IASB issued Definition of Accounting Estimates, which amends IAS 8.

The amendment replaces the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty.” The amendment provides clarification to help entities to distinguish between accounting policies and accounting estimates. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. The Company is still assessing the impact of adopting these amendments on its financial statements.

Contingencies

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

Additional Share Information

As at September 30, 2021, the Company had outstanding:

(i) 43,487,566 common shares;

(ii) 3,363,694 warrants convertible into common shares; and

(iii) 3,725,000 stock options convertible into common shares.

Risks and Uncertainties

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 technologies have yet to reach commercialization stage. Certain factors, including but not limited to the ones described in its AIF, could materially affect the Corporation's financial condition and/or future operating results, and could cause actual events to differ materially from those described in forward-looking statements made by or relating to the Company.

Please refer to the discussion of forward-looking statements and information under the heading "Forward-Looking Statements" located at the beginning of the Company's AIF filed on SEDAR under the Company's issuer profile, as well as the discussion of risks and uncertainties set out under the heading "Risk Factors," located within the Company's AIF filed on SEDAR. The reader should carefully consider these risks as well as the information disclosed in the Company's audited annual financial statements, and other publicly filed disclosure regarding the Company, available on SEDAR (www.sedar.com) under the MustGrow's issuer profile.

Subsequent Events

On October 6, 2021, the Company completed a non-brokered private placement of 2,726,611 units at $2.60 per unit for gross proceeds of $7,089,189. Each unit consists of one Common Share and one-half warrant to purchase one Common Share. Each full warrant entitles the holder to acquire one Common Share at a price of $4.00 per share for a period of 24 months following closing. The Company incurred cash issuance costs totaling $509,202. The Company also issued 27,000 warrants to purchase Common Shares as a unit issuance cost in connection with the private placement. Such warrants entitle the holder to acquire one Common share at a price of $3.65 per share for a period of 24 months following issuance. Non-cash share issuance costs related to these warrants were $38,070. Net proceeds after all share issuance costs were $6,541,917.

On November 4, 2021, the Company issued 56,366 Common Shares at the fair value of $3.65 per share to fully repay a $205,736 note payable to an independent party.

COVID-19 Pandemic

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

Disclaimer

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

Cautionary Statement on Forward-Looking Information

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