

MUSTGROW BIOLOGICS CORP.

(Formerly Duport Capital Ltd.)

Management's Discussion and Analysis

For the Nine Months Ended September 30, 2018

General

This management discussion and analysis of financial position and results of operations ("**MD&A**") is prepared as at November 29, 2018 and should be read in conjunction with the consolidated interim financial statements for the nine months ended September 30, 2018 and the audited financial statements for the year ended December 31, 2017 and related notes of MustGrow Biologics Corp. (formerly Duport Capital Ltd.) (the "**Company**"). The interim condensed financial statements, including comparatives, were prepared in accordance with the International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board ("**IASB**") and interpretations of the IFRS Interpretations Committee ("**IFRIC**").

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

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

Description of Business

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

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

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

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

Share Issuances

On February 19, 2018, the Company issued 14,429,654 common shares for proceeds of \$216,445, of which \$198,116 was received in 2017. This issuance is not reflected in the condensed interim consolidated financial statements because it occurred prior to the Amalgamation.

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

On March 13, 2018, the Company issued 10,154,454 common shares pursuant to the Amalgamation.

On March 20, 2018, the Company completed an issuance of 6,720,000 units consisting of one common share and one warrant to purchase one common share at \$0.35 per share (the "Unit Offering"). Issue price was \$0.25 per unit. Proceeds net of issuance costs were \$1,431,274.

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

On March 20, 2018, the Company issued 6,720,000 warrants pursuant to the Unit Offering. Each warrant entitles the holder to purchase one common share at \$0.30 per share until March 19, 2020.

Pursuant to the Unit Offering on March 20, 2018, the Company issued 537,600 warrants to intermediaries as compensation for unit placement. Each warrant entitles the holder to purchase one common share at \$0.35 per share until March 19, 2020.

Results of Operations

For the nine months ended September 30, 2018, the Company incurred a loss of \$1,612,599 compared to a loss of \$94,807 for the nine months ended September 30, 2017. The increase in loss in the current period is due to the increase in research and development fees, regulatory

fees, corporate communications fees, listing fees, office and administration fees, patent expenses and professional fees during the period of \$1,583,976 (2017 - \$188,883) for the costs associated with the Amalgamation and the increase in services utilized.

Selected Quarterly Information

The following selected financial data has been prepared in accordance with IFRS and should be read in conjunction with the Company's financial statements. Results prior to March 31, 2018 are those of Duport Capital Ltd. on a non-consolidated basis. All dollar amounts are in Canadian dollars.

Quarter Ended \$	Loss for the period \$	Loss per Share (Basic & Diluted) \$	Total Assets \$	Interest Income \$
September 30, 2018	223,156	0.01	729,331	Nil
June 30, 2018	201,524	0.01	942,515	Nil
March 31, 2018	1,212,765	0.10	1,099,984	Nil
December 31, 2017	34,059	0.00	192,313	Nil
September 30, 2017	2,033	0.00	185,917	Nil
June 30, 2017	5,259	0.00	1	Nil
March 31, 2017	2,100	0.00	217	Nil
December 31, 2016	11,944	0.00	937	Nil

Financial Condition, Liquidity and Capital Resources

The Company's working capital at September 30, 2018 was \$382,246 including cash of \$708,471. The Company does not generate positive cash flows. The Company is reliant on equity financing or shareholder loans to provide the necessary cash to acquire or participate in an active business. There can be no assurance that equity financings will be available to the Company in the future that will be obtained on terms satisfactory to the Company.

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

Related Party Transactions

During the nine months ended September 30, 2018, the Company incurred professional fees of \$110,000 (2017 – \$50,000) to directors of the Company.

As at September 30, 2018 and December 31, 2017 there was \$205,734 owing to a shareholder of the Company owning 10% of the Company.

Financial Instruments and Risk Management Fair Values

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

(a) Financial Risk Management

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

(b) Financial Instrument Risk Exposure

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

Credit Risk

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

Liquidity Risk

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

Market risk

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

(a) Interest rate risk

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

(b) Foreign currency risk

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

(c) Price risk

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

Contingencies

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

Additional share information

As at September 30, 2018 the Company had outstanding:

- (i) 23,273,042 common shares; and
- (ii) 7,757,600 warrants, options or other securities convertible into shares.

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.