Management Discussion and Analysis
For the three and six months ended March 31, 2022

This management's discussion and analysis ("**MD&A**") of the financial condition and results of operations dated May 30, 2022, relates to the unaudited interim condensed consolidated financial statements for the three and six months ended March 31, 2022 (the "**MD&A Financial Period**") of MPX International Corporation ("**MPXI**" or the "**Corporation**"). This MD&A should be read together with the Corporation's unaudited interim condensed consolidated financial statements for the three and six months ended March 31, 2022 including the notes thereto (the "**Interim Financial Statements**") as well as the audited annual consolidated financial statements for the years ended September 30, 2021 and 2020 (the "**Annual Financial Statements**"), including the notes thereto. This MD&A contains forward-looking statements that involve risks, uncertainties and assumptions, including statements regarding anticipated developments in future financial periods and the Corporation's plans and objectives. There can be no assurance that such information will prove to be accurate, and readers are cautioned not to place undue reliance on such forward-looking statements. See also – "*Forward-Looking Statements*" and "*Risk Factors*".

Basis of Presentation

The Interim Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"), which requires management to make certain estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the amount of revenue and expenses incurred during the reporting period. Transactions occurring prior to the Arrangement on February 5, 2019 were derived from the accounting records of MPX Bioceutical Corporation ("**MPX Bio**"). The financial information up to February 5, 2019 is intended to be representative of the entities had MPXI been operating them as a stand-alone entity, subject to MPX's control, during this time. The financial information related to this period has been prepared by MPXI's management in accordance with IFRS and requires the use of significant judgments made in allocating reported amounts related to MPX Bio. In the opinion of management, the Interim Financial Statements reflect all adjustments necessary to present fairly the consolidated statements of financial position and the consolidated statements of net loss and comprehensive loss in accordance with IFRS. However, they may not reflect MPXI's financial position or results of operations had the Corporation been operating in its current structure for the reporting periods presented in these consolidated financial statements, during which time it was a subsidiary of MPX Bio. References to the Corporation before February 5, 2019 should be inferred to be MPXI.

The results of operations for the periods reflected herein are not necessarily indicative of results that may be expected for future periods. Unless otherwise stated, all dollar amounts are expressed in Canadian dollars. This MD&A has been prepared in accordance with the MD&A disclosure requirements established under National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators.

Forward-Looking Information

Certain statements in this MD&A may contain "forward-looking information", within the meaning of applicable securities laws, including "safe harbour provisions" of the Securities Act (Ontario) with respect to the Corporation and its subsidiaries. Forward-looking statements are not historical facts and involve risks, uncertainties, and other factors that could cause actual results, performance, prospects, and opportunities to differ materially from those expressed or implied by such forward-looking statements. Such statements include, but are not limited to, the Corporation's objectives and intentions as well as statements about the growth of the business, production and revenue expectations and the licensing of facilities. Forward-looking statements are necessarily based on several estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause actual results and future events to differ materially from those expressed or implied by such forward-looking statements. The words "believe", "plan", "intend", "estimate", "expect", or "anticipate" and similar expressions as well as future or conditional verbs such as "will", "should", "would", and "could" often identify forward-looking statements. The Corporation has based these forward-looking statements on its current views with respect to future events and financial performance. With respect to forward-looking statements contained in this MD&A, the Corporation has made assumptions and applied certain factors regarding, amongst other things, general business, economic and social uncertainties; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; delay or failure to receive board, shareholder or regulatory approvals; the Corporation's ability to effectively deal with the restrictions, limitations and health issues presented by the COVID-19 pandemic; future cannabis pricing; cannabis cultivation yields; costs of inputs; its ability to market products successfully to its anticipated clients; reliance on key personnel and contracted relationships with third parties; the regulatory environment in Canada, Malta, South Africa, Switzerland, Thailand and other international jurisdictions; the application of federal, state, provincial, county and municipal laws; and the impact of increasing competition.

These forward-looking statements are also subject to the risks and uncertainties discussed in the "Risks and Uncertainties" section and elsewhere in this MD&A and other risks detailed from time to time in the publicly-filed disclosure documents of the Corporation which are available at www.sedar.com. Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions which could cause actual results to differ materially from the conclusions, forecasts or projections anticipated in these forward-looking statements. Although MPXI believes that the assumptions and factors used in preparing the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this MD&A, and no assurance can be given that such events will occur in the disclosed time frames or at all. Except where required by law, MPXI disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

BUSINESS OVERVIEW

MPXI is a multinational diversified cannabis company focused on developing and operating assets across the international cannabis industry with an emphasis on cultivating, manufacturing and marketing products which include cannabinoids as their primary active ingredient. With current operations spanning four continents in Canada, Switzerland, South Africa, Malta and Thailand as well as evolving partnership and distribution opportunities in other jurisdictions, MPXI continues to position itself as an emergent global participant in the cannabis industry.

In Canada, Canveda Inc. ("**Canveda**"), a wholly-owned subsidiary of MPXI, is currently authorized to cultivate, process and sell our cannabis-based products to other licence holders and provincial government agencies through wholesale arrangements, and directly to Canadian patients for medical use. We have developed outsourced extraction and formulation capabilities for multiple cannabis-based products.

Through Canveda, the Corporation is producing and distributing three main types of products: (i) cannabis flower; (ii) cannabis extract and related products; and (iii) cannabis derivatives, including edibles and concentrates. MPXI's CO^2 oil products are sold to both recreational and medicinal markets under the brand names *Strain Rec* ™ and *Salus BioPharma*, respectively. Its recreational products are sold under several brands, each targeted to a specific product and/or price point, allowing the company to distribute across the entire market spectrum. Canveda operates a fully constructed 12,000 square foot cannabis cultivation processing and distribution facility located in Peterborough, Ontario. MPXI's Canadian assets provide the foundation for further vertical integration of the Corporation from seed-to-sale, both in Canada and globally.

With regards to international operations, the company has established CBD and THC processing capabilities in Thailand, Switzerland and Malta as well as the development of cultivation opportunities in South Africa. Thailand and Malta are being developed further in fiscal 2022 and are expected to commence generating revenue within the next 12 months.

Management's experience across all segments of the cannabis value chain, specifically in relation to extracted products as well as distribution and brand development, permits the Corporation to compete effectively within the Canadian recreational and medical markets and has optimally positioned the Corporation for significant global growth as the regulatory environment in other jurisdictions continues to evolve. The Corporation intends to create a network of extraction, manufacturing and retail facilities in Europe, with an initial focus on Malta and Switzerland, with biomass provided by cultivators in other international jurisdictions supplemented by its own low-cost cultivation in South Africa, and to export its products around the world subject to receiving applicable approvals from applicable governments.

In conjunction with the Corporation's global expansion, the Corporation has engaged with financial advisors in North America and Europe to assist the Board to review, consider and evaluate opportunities that enhance shareholder value. These opportunities could include, among other things, an acquisition, a merger or other business combination, a financing of the Corporation as a whole or one or more individual business units / subsidiary level investments, a sale of assets of the Corporation or other forms of transactions that may be available to MPXI.

The Corporation's Board of Directors ("**Board**") has also formed a special committee to oversee the review process that has arisen because of MPXI's successful funding and operational strategy in Thailand. The Board is committed to evaluating fully appropriate opportunities while concurrently supporting management and employees in their delivery of products and services to customers and partners.

The Board has not set a timetable for this process, nor has it made any decisions related to any opportunities at this time. There can be no assurance that the exploration and review of such opportunities will result in a transaction and the Corporation does not intend to provide announcements or updates unless or until it determines that further disclosure is required by law.

CORPORATE STRUCTURE AND HISTORY

The Corporation was incorporated under the name "2660528 Ontario Inc." under the *Business Corporations Act* (Ontario) ("**OBCA**") by articles of incorporation dated October 17, 2018. Articles of amendment were filed on November 13, 2018 to, among other matters, change the name of the Corporation to "MPX International Corporation" and its common shares (the "**MPXI Shares**") commenced trading on the Canadian Securities Exchange ("**CSE**" or "**Exchange**") under the ticker symbol "MPXI" on February 6, 2019. MPXI's registered office is located at 5255 Yonge Street, Suite 701, Toronto, Ontario, Canada, M2N 6P4.

On February 5, 2019, the plan of arrangement (the "**Arrangement**") among MPXI, MPX Bio and iAnthus Capital Holdings Inc. ("**iAnthus**"), under the *Business Corporations Act* (British Columbia) was completed whereby MPXI acquired the Non-U.S. MPX Bio Assets (defined below) from MPX Bio in accordance with the terms of an arrangement agreement, as amended, among, inter alia, iAnthus and MPX Bio, dated October 18, 2018 (the "**Arrangement Agreement**").

The "Non-U.S. MPX Bio Assets" include, among other things: each of Salus BioPharma Corporation ("**Salus BioPharma**"), Canveda, a 50% stake in MPX Australia Pty Ltd. ("**MPX Australia**") (MPXI subsequently acquired the remaining interests of MPX Australia), Spartan Wellness Corporation ("**Spartan**" and, together with MPX Australia, Salus BioPharma and Canveda, the "**MPXI Subsidiaries**") and the assets held by the above-listed entities and any tax-loss carry forwards belonging to MPX Bio and the MPXI Subsidiaries.

Canadian Assets

Canveda Inc.

MPXI is the sole shareholder of Canveda, a licensed cultivator, processor, and seller under the Cannabis Act. Canveda has a fully constructed 12,000 square foot facility located in Peterborough, Ontario that produces high quality cannabis flower (the "**Canveda Facility**"). Canveda was originally issued a cultivation licence under section 35 of the *Access to Cannabis for Medical Purposes Regulations* (the **"ACMPR**") on June 12, 2017. The ACMPR was replaced by the Cannabis Act and Cannabis Regulations on October 17, 2018. Canveda's licence was amended under the Cannabis Regulations on February 22, 2019 to permit the processing and sale of cannabis for medical purposes and again on July 26, 2019, to permit the sale of fresh and dried cannabis products in accordance with Sections 11(5), 17(5) and 27 of the Cannabis Regulations. Most recently, on November 26, 2020, Canveda received a further licence amendment authorizing Canveda to produce, sell, and export all categories of authorized Canadian cannabis products, including topicals, extracts and edibles (the "**Canveda Licence**"). This amendment allows Canveda to immediately expand into the production and sale of 'Cannabis 2.0' products, including extracts, vapes, tablets and topical creams. These products will be offered under both the *Salus BioPharma* medical brand and the popular recreational *Strain Rec*™ brand.

The Canveda Licence allows Canveda to develop its medical patient and product strategy and to sell its products directly to registered patients for medical purposes, provincial and territorial cannabis boards, permitted wholesalers and other holders of a licence for sale.

Canveda introduced its recreational cannabis brand *Strain Rec*™ in the Province of Saskatchewan in August 2020. The *Strain Rec*™ brand is present in nearly half of Saskatchewan's existing retail stores. Canveda also supplies its *Strain Rec*™ products to the Provinces of Alberta, British Columbia and Ontario.

The acquisition of 11157337 Canada Corp and H12 Brands Inc. ("**H12**")'s intellectual property provides Canveda with several new highly recognized cannabis brands and products which are listed with the provincial boards of British Columbia, Alberta, Ontario and independent licensed distributors in Saskatchewan. The most recognizable brands are Kingsway pre-rolls which are marketed in two versions, namely "Day Shift" (Sativa) and "Night Shift" (Indica) as well as the successful Daize brand of full spectrum vapes.

The previous business model for High 12 Brand's required a partnership with a group of licensed producers which manufactured the products under license from H12 and sold them directly to the provincial cannabis boards. High 12 was not itself a licensed cannabis producer. The acquisition by MPXI will allow its wholly owned subsidiary, Canveda Inc, a full, Health Canada License Holder to produce, market and promote the High 12 Brands directly to the boards generating much higher margins than were available to H12.

Several new products/concepts have been developed and presented to the provincial boards including additional full spectrum vapes currently in vogue in the vape market. BC and Ontario have already accepted to list these new products. The Kingsway product line has been expanded with a new "Split Shift" concept of a multi-pack 14- unit pre-roll pack with 7 sativa and 7 indica pre-rolls. As well, the "Pennies" brand, a low-cost package of 5 soft gels has recently been introduced into BC and Alberta with a great response.

Spartan Wellness Corporation

Spartan, a wholly-owned subsidiary of the Corporation, helps veterans suffering from various ailments, mostly psychological, to reduce or eliminate dependencies on highly addictive and unsafe opioids by directing them towards medical cannabis.

Spartan currently has several educational agreements with major Canadian Licence Holders that supply Spartan's network of veterans with medical cannabis. Veterans benefit from insurance coverage provided by Medavie Blue Cross in cooperation with Veteran Affairs Canada ("**Veteran Affairs**"), which provides them with improved access to medical cannabis. Under the Reimbursement Policy for Cannabis for Medical Purposes, Veteran Affairs provides veterans with reimbursement coverage for up to 3 grams of cannabis per day. However, Spartan can assist veterans through Veteran Affairs' exceptional approval process where coverage for up to 10 grams a day can be approved. As a result, the Corporation believes that veterans represent a significant target for its medical cannabis products.

Spartan is also able to supply its patients with pharmaceutical pain creams (non-cannabis) through Ontario registered compounding pharmacies resulting in an additional revenue stream.

See also – "*Corporate Structure and History – Canadian Assets – Medical Cannabis Learning Network.*"

Salus International Management Ltd.

Salus International Management Ltd. ("**SIM**") is a private Ontario-based corporation and a partially-owned subsidiary of MPX International Corporation (along with a group of private shareholders). SIM was incorporated to provide design, planning, financing, training, and on-going operational support to cannabis initiatives, partnerships, and joint ventures in Southeast Asia. Its revenue is generated primarily from fees charged for the supply of management services.

SIM entered into a management agreement with Salus Bioceutical (Thailand) Co. Ltd. ("**Salus Thailand**" or "**SBT**"), a Thailand-based medical cannabis company jointly owned by SIM and a consortium of Thai businesspeople, whereby it is providing design, construction and technical support services, and ongoing management support of the project in exchange for management and other fees for the provision of its services. SIM's partners in Salus Thailand consist of a consortium of Thai businesspeople who will play an active role in government relations, negotiation and maintenance of supply relationships with medical and commercial institutions throughout the country and will be working closely with the Rajamangala University of Technology Isan Sakonnakhon Campus (the "**University**") and Sarapee Community Enterprise Green and Clean (the "**Community Enterprise**") to ensure optimal benefits to local interests within Chiang Mai province.

SIM completed a US$10 million ($12,748,000) private placement (the "**SIM Financing**") ($12,748,000) of units (the "**SIM Units**") of SIM at a price of US$1.00 ($1.27) per SIM Unit from investors primarily in Thailand, Europe and Canada. Each SIM Unit in the SIM Financing consists of one (1) common share (a "**SIM Share**") in the capital of SIM and one-half of one common share purchase warrant (a "**Warrant**"). Each Warrant entitles the holder thereof to acquire one SIM Share at a price of US$1.50 ($1.91) for a period of twenty-four (24) months from the date of issue, subject to adjustment and acceleration in certain circumstances.

SIM is using the proceeds of the SIM Financing to provide financial backing to Salus Bioceutical for the development of the Thai Facility (as defined below) in the form of an interest-bearing, secured loan from investors primarily in Thailand, Europe and Canada which is sufficient to fully fund the first two phases of the development of the Thai Facility, including cultivation, extraction, processing and distribution of high quality, Thai and EU-GMP medical grade cannabis products as well as CBD distillate/isolate for the domestic Thailand commercial market sourced from locally grown hemp.

See also – *"Corporate Structure and History – International Assets – Salus Bioceutical (Thailand) Co., Ltd."*

Medical Cannabis Learning Network

In July 2019, the Corporation acquired a 20% interest in 2702148 Ontario Inc. dba KAAJENGA Cannabis ("**KAAJENGA Cannabis**") securing an exclusive, worldwide, perpetual, royalty free licence to the Medical Cannabis Learning Network, a turnkey virtual, video learning and engagement platform for the cannabis industry. In December 2019, MPXI acquired the remaining interest in KAAJENGA Cannabis and became the sole shareholder. On September 15, 2020, Articles of Amendment were filed to change the name of KAAJENGA Cannabis to "MCLN Inc." ("**MCLN**").

The Medical Cannabis Learning Network platform which operates as a: (a) private on-line network educational platform, providing information about the use of medical cannabis; (b) telemedicine medium providing patient access to medical practitioners for advice and cannabis prescriptions from MCLN's affiliate, Spartan Wellness; and (c) sales platform for Licence Holders. MCLN earns educational and consultation fees from Licence Holders subscribing to its services.

MPXI has fully integrated the Medical Cannabis Learning Network technology into Spartan. This approach has enabled MPXI to expand Spartan beyond military veterans and first responders and build relationships with other Licence Holders.

See also – "*Corporate Structure and History – Canadian Assets – Spartan Wellness Corporation*."

Salus BioPharma

Salus BioPharma, a wholly-owned subsidiary of the Corporation, is engaged in the development of pharma-grade cannabinoid-based medicinal products, medicinal preparations, and medicinal accessories (the "**SALUS Products**").

International Assets

Salus Bioceutical (Thailand) Co., Ltd.

SBT is a joint venture between MPXI, a listed company in Canada, and Thai investors. SBT is initially involved in the cultivation, processing and distribution of high-quality, EU-GMP compliant, medical-grade cannabis products such as CBD distillate, isolate powder, and water-soluble isolate for the medical community in Thailand. SBT will operate for the benefit of the health and well-being of the Thai people, whereby it will develop THC products and medicine, subject to government approval under applicable laws.

Salus Thailand, in partnership with SIM, opened the ~ $5,600,000 (~ US$4,400,000) cannabis/hemp production plant (the "**Thai Facility**") in the Doi Saket district of Chiang Mai province in Thailand. The Thai Facility will initially produce CBD products to cater to growing local and international demand, whereby THC products and medicine will be developed subject to government approval under applicable laws.

The Thai Facility is expected to have an annual capacity for the extraction of over 200,000 kilograms of biomass, and production of over 50,000 liters of CBD oil or 90,000 kilograms of isolate powder and water-soluble CBD isolate, making SBT one of the largest cannabis/hemp manufacturing plants in Thailand and one of the most sophisticated production sites outside of North America. The 800 m^2 plant covers indoor cultivation and in an additional building, a high-capacity extraction and distillation capability developed by Ontario-based extractX Inc. employing some of the most technologically advanced equipment available in the cannabis industry as well as a medical grade laboratory for hemp and cannabis analysis, which will allow for a unique distillation process, ultimately producing high-yield and quality CBD products. With expertise from MPXI, an emergent global participant in the cannabis industry operating across four continents, SBT will implement best-in-class manufacturing practices into their Thai GMP and EU-GMP compliant medical production facilities. SBT has recently been granted a Hemp Extraction License, which allows SBT to operate and extract hemp flower legally under the laws of Thailand, making it one of the first companies in Thailand with complete licensing for CBD manufacturing.

SBT will be working closely with the Cannabis & Herbs Institute at the University, where institutional research will be conducted to understand the agriculture and agronomy of cannabis and hemp plants in the tropics as well as extraction for medical purposes as a precursor for various industrial sectors. Additionally, SBT also aims to participate in developing communities and local farmers in operations for outdoor and greenhouse cultivation of high-CBD/low-THC hemp biomass. SBT has built demonstration sites for the outdoor growing of hemp in five different campuses of the University to develop cultivation techniques and pass on know-how to local farmers.

As Thailand continues to venture into the market for medical cannabis, various opportunities should open for future business. As the first North American medical cannabis company to enter the Thai market, SBT will initially be producing EU-GMP compliant, medical-grade, cannabis products such as CBD distillate, isolate powder, and water-soluble CBD isolate for domestic sales. The company will focus on producing high quality products for the domestic market and aims to grow aggressively within the ASEAN community by expanding sales throughout the entire Southeast Asia region.

By moving forward with a strong client database and client support, SBT will be branching out into various sectors in the market. Having received interest from multiple Thailand-based food & beverage, cosmetics, healthcare, supplement, massage and spa, and animal feed manufacturers, SBT will potentially produce CBD distillate/isolate for commercial use by the fourth quarter of 2021. In the pharmaceutical realm, SBT is undergoing the process to qualify the Thai Facility for GMP-grade medical cannabis, and subject to government approval, will produce sublingual tablets and capsules, suppositories, transdermal patches and medical quality edibles containing other medically-beneficial cannabinoids.

See also – *"Corporate Structure and History – Canadian Assets – Salus International Management Ltd."*

HolyWorld SA

HolyWeed's laboratory in Switzerland can produce up to 30kg of high-quality distillate per month while operating a single shift. Adding an additional shift would bolster the capacity to approximately 60kg per month. The extraction and processing lab is complemented by a state-of-the-art, in-house and independent analysis laboratory which is used for on-demand and consistent quality control as well as external analysis. The lab has placed a high degree of focus on refining and developing its SOPs to reach new quality standards while intending to work towards the achievement of ISO standards in the future. Additionally, the lab has increased its R&D activity to meet the growing demand for new, innovative products and SKU by both the HolyWeed brand and B2B clients.

The production from the HolyWeed lab will be sold into the wholesale market and is also being used in "HolyWeed" branded products sold through the HolyWeed retail store in Geneva, the HolyWeed e-Commerce store and www.cbdetc.com, a new multi-brand pan-European marketplace, initially focused on the UK and French markets, for CBD products including the following:

- *Muscle Balm*: A 100mL unit with heating balm designed to fit into the recovery/post-sports category of HolyWeed products.

- *Candles, Tea and other Household Accessories*: Hand-poured organic candles and Mariage Frères blended Teas designed for each of the 4 HolyWeed families*.

- *HolyWeed Family Oils*: A new range of naturally flavoured, customised oils produced for each of the 4 HolyWeed families*.

- *Golden Oil:* A new high-potency, purified CBD oil. With a 40% CBD potency, it sits among the highest potency oils while not forgoing quality.

- *Vape Cartridges:* Cartridges containing a 90% cannabinoid potency while using only natural ingredients. High in CBD and CBG while maintaining a broad range of minor cannabinoids. 4 Vape cartridges have been produced to fit into the 4 HolyWeed families*. The cartridges have been sourced from the leading supplier of vapes and vape accessories in the industry.

- *Vape Starter Packs:* Consisting of 1 vape cartridge, 1 HolyWeed branded high-end battery, 1 charger and 2 magnetic adaptors. There are 4 starter packs, to align with the 4 HolyWeed families.

* *4 HolyWeed families:* Wellness, Sleep Tight*, Recovery* and *Make Love*

In addition, HolyWeed is also supplying white label CBD distillate and other derivatives to brands in the UK, European Union and Switzerland.

Following the onboarding of new marketing, e-Commerce and retail executives from other European companies in their respective space, HolyWeed is also eyeing expansion across Europe by, among other things, continuing to develop a portfolio of leading cannabis assets internationally and expects to take full advantage of the growing market in Europe for CBD-based products in the short term. Further, HolyWeed is in the process of broadening its product lines to include new cannabis extracts, high-end CBD cosmetics and lifestyle accessories to offer the optimal quality for its loyal and rapidly expanding customer base. The HolyWeed brand continues to tailor its offering to each of its customers by championing consultancy and education about products and services.

Following the success of HolyWeed's retail assets in Switzerland, it intends to put an emphasis on expanding its brick-and-mortar retail assets across Europe. This strategy would allow HolyWeed to establish a network of distribution channels in each intended European market while building the brand and further complementing its e-Commerce sales through the Halo Effect.

First Growth Holdings Pty Ltd.

In February 2020, the Corporation's wholly owned subsidiary MPXI SA Pty Ltd. ("**MPXI SA**") acquired an 80% interest in First Growth Holdings (Pty) Ltd. ("**First Growth**"). The remaining 20% is held by Simonsberg Cannabis Pty Ltd. ("**Simonsberg**"), whose shareholders include a prominent local winery, continuing MPXI's string of successful local partnerships. This venture will establish low-cost cultivation for the Corporation using hi-tech greenhouses.

On March 1, 2021, First Growth received a Licence to Cultivate Cannabis for Purposes of Producing Scheduled Substances (the "**South Africa Licence**") under the *Medicines and Related Substances Act*, No. 101 of 1965 (South Africa) (the "**South Africa Medicines Act**") from the South African Health Products Regulatory Authority ("**SAHPRA**"), which authorizes First Growth to cultivate and export cannabis on the Sonop Farm (the "**First Growth Facility**"), which is located in the traditional wine-growing region of Stellenbosch in South Africa's Western Cape approximately 50 kilometres east of Cape Town.

Whilst the project has been delayed by COVID-19, First Growth has made significant progress towards the construction of a half-hectare (53,000 sq. ft.) high-tech greenhouse. Full development of the project will allow for up to six (6) hectares (approximately 646,000 square feet) of advanced EU-Good Agricultural Practices ("**EU-GAP**") certified greenhouse cultivation and EU-Good Manufacturing Practice ("**EU-GMP**") certified extraction and processing laboratory.

The biomass produced from the First Growth Facility is expected to primarily support MPXI's operations in Malta. Upon receipt of a license to import, extract, produce finished products and distribute cannabis and cannabis derivatives, MPXI Malta Operations, will produce EU-GMP quality cannabis oils and cannabis derivative products and pursue regulated medical cannabis distribution opportunities in Europe through Salus BioPharma, as well as in Canada and Oceania. It is expected that First Growth will begin exports of biomass and flower to Malta in late 2023.

See also – "*Corporate Structure and History – Canadian Assets – Salus BioPharma*," "*Corporate Structure and History – International Assets – Activity in Malta*," and "*Corporate Highlights for the Three and Six Months Ended March 31, 2022 – Malta EU-GMP*."

Activity in Malta

MPXI Malta Operations Ltd. ("**MPXI Malta Operations**"), a Maltese-company owned by MPXI (80%) and Malta-based Bortex Group ("**Bortex**") (20%) was awarded a letter of intent from Malta Enterprise, the economic development agency for the Republic of Malta, to receive a license to import, extract, produce finished products and distribute cannabis and cannabis derivatives (the "**Malta License**") for medicinal use in Malta and export to certain international markets, in particular the EU.

The buildout of its "GMP-ready" facility located in Birkirkara, just outside of Valletta, the capital city of Malta, has substantially been completed including all site infrastructure, clean rooms and environment required to support the attainment of an EU-GMP certification for flower packaging. The buildout entailed numerous structural alterations and reinforcements required to achieve the desired site security, EU-GMP compliant layout and load-bearing capabilities.

Following the substantial completion of the facility, MPXI's Maltese operations submitted its application for EU-GMP certification with the Maltase Medicines Authority and completed a preliminary inspection which has resulted in the approval to import biomass material required for validation batches.

Alphafarma Operations Ltd. ("**Alphafarma**") received European Union Good Manufacturing Practices certification (the "**EU-GMP Certification**") from the Medicines Authority of Malta ("**MMA**") for its facility located in Birkirkara, Malta to finish dried cannabis flower in jars for medicinal use.

EU-GMP Certification is the highest standard for pharmaceutical production in the world and it is issued by a designated competent authority in Europe to pharmaceutical facilities that have passed a rigorous regulatory inspection process. Pending the receipt of the manufacturing license to be issued by the MMA for the production of cannabis for medicinal and research purposes, this certification will allow Alphafarma to begin processing and exporting medical cannabis flower from Malta into markets across Europe and elsewhere. Alphafarma has negotiated a favourable supply agreement with a licensed producer of cannabis flower which will be supplemented with additional biomass from its South African-based cultivation facility, likely in late 2023.

Alphafarma received its License for the Production of Cannabis for Medicinal and Research Purposes (the "**Medical Cannabis License**") issued by the MMA which was the final requirement for Alphafarma to begin commercial production and export of finished medical cannabis flower products from Malta into markets across Europe and elsewhere. Alphafarma has already secured EU-GMP sourced material from licensed cultivation partners. This will be supplemented with additional cannabis flower from its South African-based EU-GMP First Growth cultivation facility, likely in late 2023.

Following the receipt of the Medical Cannabis License, Alphafarma will use the foundations established by the EU-GMP Certification process to imminently apply for a license amendment to process cannabis derivatives, such as oils, thus providing patients and prescribers with a wide portfolio of medical cannabis products of the highest quality, safety and efficacy standards.

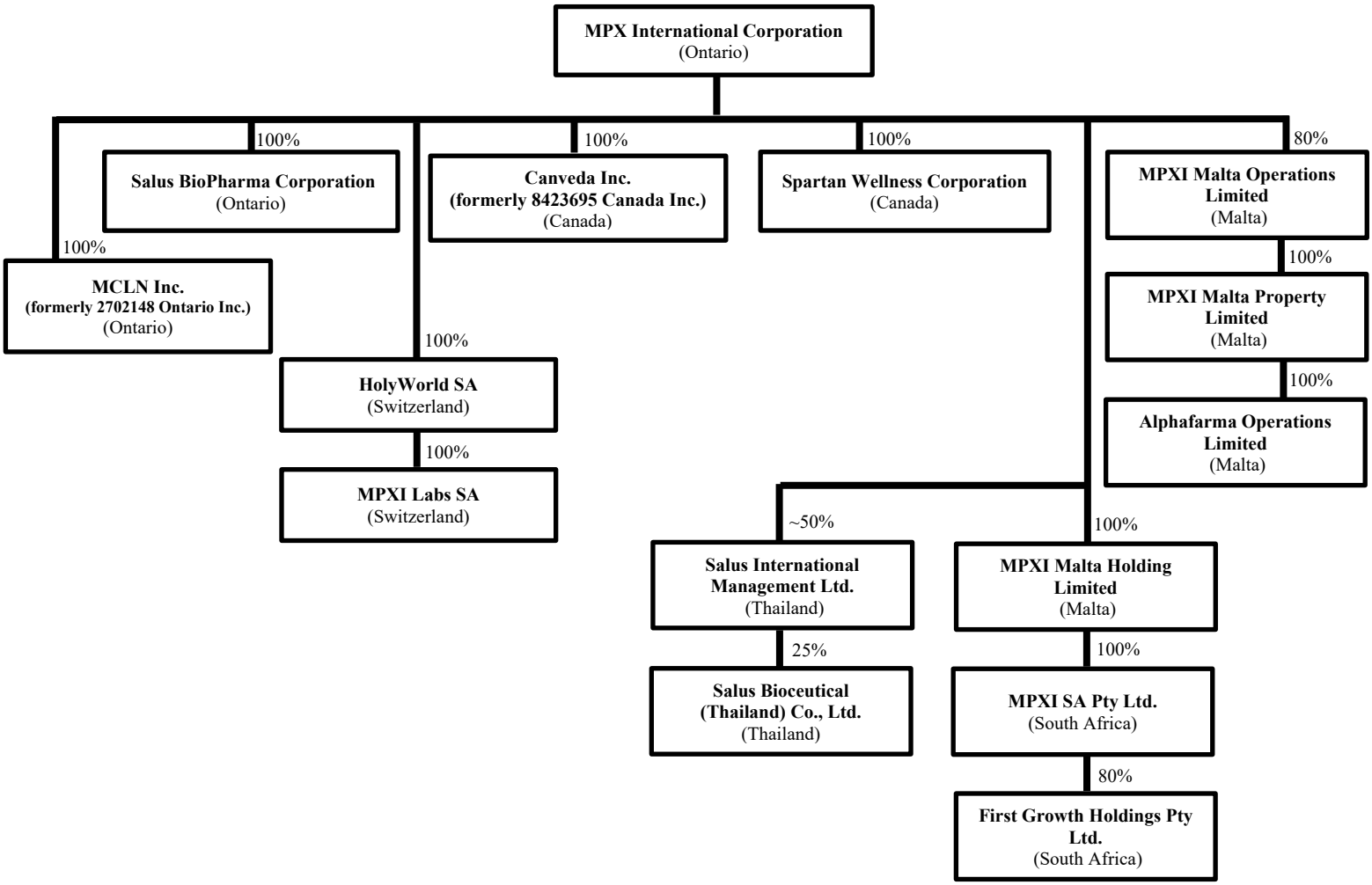
The first product has already been successfully registered in Malta, and it will be launched for distribution under MPXI's own Salus BioPharma brand in Q3 2022. Similar entry into other markets such as Germany, Czech Republic, Poland and New Zealand are expected later on in the year.

Through this licensing process, MPXI has become one of the very few companies with an EU-GMP Certified and fully licensed cannabis facility which is actually located in the European marketplace. In line with its expansion plans, Alphafarma has already started working towards applying for a license amendment to process cannabis derivatives, such as oils.

See also – "*Corporate Structure and History – International Assets – First Growth Holdings Pty Ltd.,"* and *"Corporate Highlights for the Three and Six Months Ended March 31, 2022 – Malta EU-GMP*."

Corporate Organization Chart

The following chart identifies our material subsidiaries, their applicable governing jurisdictions and the percentage of their voting securities which are beneficially owned, or controlled or directed, directly or indirectly, by the Corporation:



Corporate Highlights for the Three and Six Months Ended March 31, 2022

Third Short-Term Bridge Loan Funding

MPXI expanded and revised the terms of the 2nd Bridge Loan into further short-term loan financing (the "**3rd Bridge Loan**") of up to approximately $3,800,000 (US$3,000,000) from a group of current investors to be drawn down in several tranches.

The Corporation is using the proceeds from the loan to fund product and facility development and for general corporate and working capital purposes.

The 3rd Bridge Loan will mature 6 months from the date of issuance (the "**Maturity Date**") and bear interest at a rate of 12% per annum calculated in arrears and payable in cash on the earlier of the Maturity Date or concurrently with the conversion of the 3rd Bridge Loan at a 10% premium into the Offering.

In addition, and subject to approval from holders of Debentures, the Corporation may roll up the interest payable in respect of the September 30, 2021 and December 31, 2021 coupon dates into the 3rd Bridge Loan as well as an amount that allows for the optional participation of deferred salaries into the 3rd Bridge Loan. Further, the Corporation may increase the aggregate principal amount of the 3rd Bridge Loan by up to 20% with the written approval of holders representing at least 60% of the aggregate principal amount of the 3rd Bridge Loan then outstanding.

The Corporation shall also issue common share purchase warrants (the "**3BL Bonus Warrants**") to 3rd Bridge Loan lenders on the basis of 10 3BL Bonus Warrants for each $1.36 (US$1.00) of principal. Each 3BL Bonus Warrant shall be exercisable for a period of sixty (60) months from the date of issuance and enable the holder thereof to purchase one MPXI Share at an exercise price equal to $0.065 per MPXI Share.

In further consideration for advancing their 3rd Bridge Loan funds, the Corporation shall grant to the holder options (the "**SIM Options**") to acquire units of SIM from the Corporation. Each SIM Option will allow the holder to acquire one (1) unit (a "**SIM Unit**") of Salus International Management Ltd. ("**SIM**") from the Corporation for each US$2.00 of bridge loan funds advanced by the holder. Such option shall be exercisable at a price of US$1.00 per SIM Unit for a period of sixty (60) months from the closing date. Each SIM Unit will be comprised of one (1) common share (the "**SIM Shares**") in the capital of SIM and one-half (0.5) common share purchase warrant to acquire an additional SIM Share at an exercise price of US$1.50 per SIM Share until May 8, 2023.

Pursuant to the terms of the 3rd Bridge Loan, the Corporation will seek the approval from Debenture holders to amend the Debenture Indenture by way of a 4th supplementary debenture indenture substantially as follows:

(a) increase the maximum principal amount by up to US$10,000,000;

(b) amend the definition of "Conversion Price" such that: (i) the conversion price of the Debentures issued: (A) prior to March 1, 2021 shall be equal to $0.12; (B) on or after March 1, 2021 shall be equal to $0.05; and (C) subject to the approval and policies of the CSE, if the Corporation sells any capital stock to any other investor (other than with respect to the Offering) for cash at a price per share lower than $0.05 or convertible securities at a conversion price or exercise price less than $0.05, the Conversion Price for the Debentures issued on or after March 1, 2021 shall be reduced to such lower price;

(c) provide that the payment of interest payable in respect of the September 30, 2021 Coupon Date shall be rolled into the 3rd Bridge Loan;

(d) provide that the payment of interest payable in respect of the December 31, 2021 Coupon Date shall be rolled into the 3rd Bridge Loan;

(e) provide that the interest payable in respect of the March 31, 2022 Coupon Date be satisfied by the issuance of Units, subject to the minimum subscription price of US$1,000; and

(f) all such other revisions or amendments to the Debenture Indenture as the Corporation may deem necessary or advisable to give full effect to or to carry out the intent of the foregoing amendments.

The Corporation will also seek the approval from Debenture Warrant holders to amend the Warrant Indenture by way of a 4th supplementary warrant indenture substantially as follows:

(a) amend the second preamble such that each Unit consists of one 12% Debenture and, prior to September 1, 2021, 7,000 Warrants and on or after September 1, 2021, 10,000 Warrants;

(b) amend the definition of "Exercise Price" such that at any time the price at which a MPXI Share may be purchased by exercise of a Warrant is $0.20 per MPXI Share for Warrants issued prior to September 1, 2021 and $0.065 per MPXI Share for Warrants issued on or after September 1, 2021, payable in immediately available Canadian funds, subject to certain provisions of the Warrant Indenture; and

(c) increase the maximum number of Debenture Warrants by up to 100,000,000 Warrants; and

(d) all such other revisions or amendments to the Warrant Indenture as the Corporation may deem necessary or advisable to give full effect to or to carry out the intent of the foregoing amendments.

The Corporation shall pay in cash to the 3rd Bridge Loan lenders a non-refundable cash origination fee in the amount equal to 2% of 3rd Bridge Loan funds advanced.

Following the entering into of the 4th supplementary debenture indenture to the Debenture Indenture and the 4th supplementary warrant indenture to the Warrant Indenture, the principal amount of the 3rd Bridge Loan shall automatically convert in the Offering at a conversion premium equal to ten percent (10%) of their principal amount.

Each of the following events constitutes an event of default: (a) the Corporation fails to pay when due, after any applicable grace periods, any outstanding principal amount hereunder or any accrued and unpaid interest on such principal amount; (b) the Corporation shall not have complied with its covenants; and (c) if any representation or warranty made by the Corporation pursuant to which the loan was issued was false or inaccurate in any material respect when made.

In connection with the closing of the 3rd Bridge Loan drawn down to date, the Corporation will pay or has paid aggregate finder's fees of approximately $65,711 (US$48,316) and issue an aggregate of 483,170 (the "**3rd BL Compensation Warrants**") to eligible finders. Each 3rd BL Compensation Warrant entitles the holder to purchase one MPXI Share at a price of $0.05 for a period of 24 months from the applicable closing date of the 3rd Bridge Loan.

Offering

Each Unit consists of one 12% secured convertible debenture of the Corporation (a "**Debenture**") in the principal amount of $1,360 (US$1,000) (the "**Principal Amount**") and 7,000 common share purchase warrants (each, a "**Debenture Warrant**"). The Debentures will have a maturity date of twenty-four (24) months from the date of issuance, subject to certain conversion privileges (the "**Maturity Date**") as set forth in a debenture indenture (the "**Debenture Indenture**") entered into with AST Trust Company (Canada) (now TMX Trust Company) ("**TSX**"), as amended. Each Debenture will rank pari passu in right of payment of principal and interest with all other Debentures issued under the Offering.

The Corporation amended the Debenture Indenture pursuant to a: (1) supplemental debenture indenture dated September 16, 2020 which increased the principal amount under the Debenture Indenture by $1,768,000 (US$1,300,000) to a new maximum principal amount of up to $6,800,000 (US$5,000,000); (2) 2nd supplemental debenture indenture dated December 18, 2020 which increased the principal amount under Debenture Indenture, as amended on September 16, 2020, by $3,400,000 (US$2,500,000) to a new maximum principal amount of up to $10,200,000 (US$7,500,000) and confirmed the Canadian and United States dollar currency exchange rate as $1.36 Canadian dollars for each $1.00 US dollars; and (3) 3rd supplemental debenture indenture dated June 24, 2021 which, *inter alia*, further increased the principal amount under the Debenture Indenture, as amended on September 16, 2020 and December 18, 2020, by $6,120,000 (US$4,500,000) to a new maximum principal amount of $16,310,000 (US$12,000,000), amend the definition of "Conversion Price" and satisfy the interest payments due on the Coupon Dates (as defined below) of March 31, 2021 and June 30, 2021 through the issuance of securities of the Corporation.

As at March 31, 2022, the Corporation issued a total of 11,291 Units for aggregate gross proceeds of $15,355,760 (US$11,291,000) for the closing of the initial nine tranches of the Offering and issued approximately 79,037,000 Debenture Warrants.

The Corporation used the proceeds from the Offering to fund product and facility development as well as for working capital and other general corporate purposes.

Each Debenture bears interest at a rate of 12% per annum from the date of issue, payable quarterly in arrears on the last day of March, June, September and December in each year (each, a "**Coupon Date**"). All accrued but unpaid interest as of each Coupon Date shall be payable by the Corporation in cash and shall accrue interest at a rate of 12% per annum.

The Principal Amount is convertible, for no additional consideration, into MPXI Shares at the option of the holder at any time prior to the earlier of: (i) 6:00 p.m. (Eastern Standard Time) on the Maturity Date; or (ii) the business day immediately preceding the date specified by MPXI for redemption of the Debentures at (a) the conversion price of the Debentures issued, which: (i) prior to March 1, 2021 shall be equal to $0.12 per MPXI Share; and (ii) on or after March 1, 2021 shall be $0.13 per MPXI Share; or (b) subject to the approval and policies of the CSE if the Corporation sells any capital stock to any other investor for cash at a price lower than $0.13 per MPXI Share or convertible securities at a conversion price or exercise price less than $0.13 (other than the Units), the conversion price of the Debentures issued on or after March 1, 2021, which shall be reduced to such lower price;

Each Debenture Warrant entitles the holder thereof to purchase one MPXI Share (each, a "**Debenture Warrant Share**") at an exercise price of $0.20 (the "**Exercise Price**") for a period of sixty (60) months from the Closing Date (the "**Expiry Date**").

Appointment of New Director

The Corporation is also pleased to announce that it has appointed Timothy E. Childs to its board of directors. Mr. Childs is an experienced investor and entrepreneur across a range of sectors. He was a founder, Chairman and Chief Executive of Gatehouse Leasing Limited ("**Gatehouse**"), a Dublin based lease finance company, which was subsequently sold to an investment group and, in turn, acquired by the Bank of Scotland. Tim served as Managing Director of Private Equity Investor plc, an investment trust fund of technology funds from 2000 to 2004. He also served as C.E.O of St Peter Port Capital, a closed ended investment company between 2007 and 2014. Since disposing of Gatehouse leasing in 1990, he has invested in hundreds of private companies in multiple sectors, including biotechnology, information technology, material science, mining, oil & gas and cannabis. Many of these companies have progressed to become publicly listed or have been acquired yielding substantial returns for shareholders. Mr. Childs has provided many of his portfolio companies with advice and guidance as they have developed and progressed through their stages to deliver exciting returns for investors.

Malta EU-GMP

MPXI's indirect subsidiary, Alphafarma received EU-GMP Certification from the MMA for its facility located in Birkirkara, Malta to finish dried cannabis flower in jars for medicinal use.

EU-GMP Certification is the highest standard for pharmaceutical production in the world and it is issued by a designated competent authority in Europe to pharmaceutical facilities that have passed a rigorous regulatory inspection process. Pending the receipt of the manufacturing license to be issued by the MMA to produce cannabis for medicinal and research purposes, this certification will allow Alphafarma to begin processing and exporting medical cannabis flower from Malta into markets across Europe and elsewhere. Alphafarma has negotiated a favourable supply agreement with a licensed producer of EU-GMP cannabis flower which will be supplemented with additional biomass from its South African-based cultivation facility, likely in late 2023.

Subsequent Events

Malta Medical Cannabis License

Alphafarma received its License for the Production of Cannabis for Medicinal and Research Purposes (the "**Medical Cannabis License**") issued by the MMA.

The receipt of the Medical Cannabis License is the final requirement for Alphafarma to begin commercial production and export of finished medical cannabis flower products from Malta into markets across Europe and elsewhere.

Alphafarma has already secured EU-GMP sourced material from licensed cultivation partners. This will be supplemented with additional cannabis flower from its South African-based EU-GMP First Growth cultivation facility, likely in late 2023.

The first product has already been successfully registered in Malta, and it will be launched for distribution under MPXI's own Salus BioPharma brand in Q3 2022. Similar entry into other markets such as Germany, Czech Republic, Poland and New Zealand are expected later on in the year.

Through this licensing process, MPXI has become one of the very few companies with an EU-GMP Certified and fully licensed cannabis facility which is actually located in the European marketplace. In line with its

expansion plans, Alphafarma has already started working towards applying for a license amendment to process cannabis derivatives, such as oils.

Additional Draw Down of 3rd Bridge Loan, Extension of Maturity Date of Debentures until December 31, 2023 and Further Amendments to the Debenture Indenture and Warrant Indenture

MPXI has drawn down on additional loan proceeds pursuant to the terms of the 3rd Bridge Loan and has negotiated revisions with its debenture holders to effectively defer any principal obligations until December 31, 2023.

To date, the Corporation has drawn down on approximately $5,342,111 (US$3,928,023) in the 3rd Bridge Loan. To date, the Corporation has issued approximately 48,531,003 3BL Bonus Warrants. To date, the Corporation has issued approximately 3,340,241 SIM Options.

To date, the Corporation has received approximately $5,342,000 (US$3,928,000) from lenders advancing funds pursuant to Bridge Loan #3 and the Corporation has issued approximately 48,531,003 3BL Bonus Warrants as a bonus for advancing such funds as well as approximately 3,340,241 SIM Options pursuant to Bridge Loan #2 and Bridge Loan #3.

Pursuant to the terms of the Bridge Loan, the Corporation has obtained the approval from Debenture holders to amend the Debenture Indenture by way of a 4th supplementary debenture indenture substantially as follow:

(a) increase the maximum principal amount by up to US$10,000,000;

(b) amend the definition of "Conversion Price" such that the dollar amount for which each Common Share may be issued upon the conversion of Debentures in accordance with the provisions of the Debenture Indenture, shall, subject to adjustment as provided for herein, be $0.03 per Common Share;

(c) amend the definition of "Maturity Date" such that the date of maturity for the Debentures, shall be December 31, 2023

(d) provide that the payment of interest payable in respect of the Coupon Dates of September 30, 2021, December 31, 2021 and March 31, 2022 shall be rolled into the Revised Bridge Loan;

(e) provide that the payment of interest payable in respect of the Coupon Dates of June 30, 2022, September 30, 2022 and December 31, 2022 may be satisfied, at the sole option of the Corporation, through the issuance of Units; and

(f) all such other revisions or amendments to the Debenture Indenture as the Corporation may deem necessary or advisable to give full effect to or to carry out the intent of the foregoing amendments.

In addition, the Corporation has obtained the approval from Debenture Warrant holders to amend the Warrant Indenture by way of a 4th supplementary warrant indenture substantially as follows:

(a) amend the second preamble such that each Unit consists of one 12% Debenture and, prior to September 1, 2021, 7,000 Warrants and on or after September 1, 2021, 10,000 Warrants;

(b) amend the definition of "Exercise Price" such that at any time the price at which a Common Share may be purchased by exercise of a Warrant is $0.20 per Common Share for Warrants issued prior to September 1, 2021 and $0.065 per Common Share for Warrants issued on or after September 1, 2021, payable in immediately available Canadian funds, subject to certain provisions of the Warrant Indenture; and

(c) increase the maximum number of Debenture Warrants by up to 100,000,000 Warrants; and

(d) all such other revisions or amendments to the Warrant Indenture as the Corporation may deem necessary or advisable to give full effect to or to carry out the intent of the foregoing amendments.

The Corporation has paid in cash to the Revised Bridge Loan lenders a non-refundable cash origination fee in the amount equal to 2% of Revised Bridge Loan funds advanced.

The Corporation is now in the process of converting all outstanding Bridge Loan amounts into the Offering at a conversion premium equal to ten percent (10%) of their principal amount.

In connection with the closing of the Revised Bridge Loan, the Corporation will pay aggregate finder's fees of approximately $79,152 (US$58,200) and issue an aggregate of 582,500 compensation warrants (the "**Compensation Warrants**") to eligible finders. Each Compensation Warrant entitles the holder to purchase one Common Share at a price of $0.065 for a period of 24 months from the applicable closing date of the Revised Bridge Loan.

Insider Participation

The 3rd Bridge Loan can be considered a Related Party Transaction for certain regulatory purposes. The aggregate participation by certain insiders in the 3rd Bridge Loan was for a total principal amount of $1,700,000 (US$1,250,000), 12,500,000 3BL Bonus Warrants and 625,000 SIM Options with cash origination fees of approximately $34,000 (US$25,000).

It is important to note that the 3rd Bridge Loan is exempt from valuation and minority approval requirements which might otherwise result from the participation by insiders due to: (1) the Corporation, as a CSE issuer, not being listed on a designated market; and (2) the fair market value of the 3rd Bridge Loan, insofar as the 3rd Bridge Loan involves such interested parties, is less than $2,500,000.

To the knowledge of the Corporation, after reasonable inquiry, none of the related parties have knowledge of any material information concerning the Corporation or its securities that has not been generally disclosed.

SELECTED FINANCIAL INFORMATION

How We Assess the Performance of Our Business

The key financial measures indicated below are used by management in evaluating and assessing the performance of our business. We refer to certain key performance indicators used by management and typically used by our competitors in the medical cannabis market, certain of which are not recognized under IFRS. See "*Non-IFRS Measures and Other Financial Information*" elsewhere in this MD&A as well as "Non-IFRS Measures" below. These include the following key performance indicators:

- Revenue
- Cost of sales
- Operating expenses
- EBITDA (a non-IFRS measure)
- Adjusted EBITDA (a non-IFRS measure)

Non-IFRS Financial Measures

The Corporation uses "EBITDA" and "Adjusted EBITDA" as financial performance measures in the MD&A, neither of which are defined under IFRS. These financial performance measures are computed on a consistent basis for each reporting period and management believes that they provide useful supplemental information to investors.

EBITDA

Management defines "**EBITDA**" as the net income (loss) from operations, adjusted by removing interest, tax, amortization and depreciation. Management believes "EBITDA" is a useful financial metric to assess its operating performance.

Adjusted EBITDA

Management defines "**Adjusted EBITDA**" as EBITDA adjusted by removing other non-recurring or non-cash items, including share-based compensation, transaction costs, non-cash consulting fees, accretion expenses, foreign exchange, the non-cash effects of accounting for biological assets, changes in the fair value of contingent consideration payable, write downs to inventory, goodwill and intangibles, losses on the disposal of property, plant and equipment as well as adding back cash lease payments. Management believes "Adjusted EBITDA" is a useful financial metric to assess its operating performance on a cash basis before the impact of non-cash items and acquisition related activities.

Selected Financial Information

The following table sets out a summary of results of operations for the financial periods specified below, as well as specific balance sheet data as at the end of each such period:

Selected results and earnings	Three months ended March 31		Six months ended March 31	
	($) 2022	($) 2021	($) 2022	($) 2021
Gross revenue	2,220,103	2,326,577	4,030,263	4,686,981
Excise taxes	199,856	141,309	453,161	591,222
Net revenue	2,020,247	2,185,268	3,577,102	4,095,759
Cost of sales	614,134	1,061,634	1,227,031	1,523,460
Gross profit before unrealized gain from changes in fair market value of biological assets	1,406,113	1,123,634	2,350,071	2,572,299
Percent of sales	63.3%	48.3%	58.3%	54.9%
Unrealized (loss) gain from changes in fair market value of biological assets	(11,843)	283,341	188,475	606,093
Gross profit	1,394,270	1,406,975	2,538,546	3,178,392
Percent of sales	62.8%	60.5%	63.0%	67.8%
Total operating expenses	5,323,676	4,583,249	10,229,573	8,763,405
Loss from operations	(3,929,406)	(3,176,274)	(7,691,027)	(5,585,013)
Other income (expenses)	(4,230,975)	(5,312,254)	(4,658,300)	(5,166,449)
Income tax (recovery) expense	159,363	96,865	219,363	96,865
Net loss	(8,319,744)	(8,585,393)	(12,568,690)	(10,848,327)
Total comprehensive loss	(9,105,075)	(8,163,330)	(13,011,250)	(10,258,054)
Basic and diluted net loss per share	(0.05)	(0.06)	(0.07)	(0.07)
Weighted average number of shares - basic and diluted	144,265,524	142,612,234	144,059,975	142,314,424

Consolidated statements of financial position	As at March 31, 2022 ($)	As at September 30, 2021 ($)
Assets:		
Cash	916,071	6,197,184
Current assets	8,483,348	12,845,205
Total Assets	47,133,301	50,669,799
Liabilities:		
Current liabilities	18,088,761	14,758,342
Total liabilities	37,244,121	27,824,671
Total equity	9,889,180	22,845,128

Analysis of Results for the MD&A Financial Period

Net Revenue

A summary of the Corporation's quarterly net revenue since June 30, 2020 is presented below:

Three months ended	Net revenue ($)
March 31, 2022	2,020,247
December 31, 2021	1,556,855
September 30, 2021	1,338,170
June 30, 2021	1,776,823
March 31, 2021	2,185,268
December 31, 2020	1,910,491
September 30, 2020	835,929
June 30, 2020	920,717

For the three months ended March 31, 2022, MPXI posted net revenue of $2,020,247 (three months ended March 31, 2021 - $2,185,268). Revenue was mainly driven by sales in Spartan ($916,612), Canveda ($783,812), and HolyWeed ($310,085). In the comparative period, revenue was mainly driven by sales in Canveda ($1,003,293), HolyWeed ($599,373), and Spartan ($581,673).

The Corporation realized moderate growth compared to the prior quarter (increase of 29.8% vs. Q1, 2022). There was, however, a decline year over year for Q2 (decrease of 7.6% vs. Q2, 2021). The business has been affected by the ebb and flow of COVID related regulation which explains the less consistent growth trajectory that was expected. Canveda's revenues, given the nature of its business, were impacted by the effects of

COVID-19 which resulted in limited growth year over year. HolyWeed saw more moderate growth as while the retail store continued to perform well, wholesale revenues were below expectations. Spartan's revenues, given the nature of its business which relies on dealing directly with end customers, were negatively affected by the effects of COVID-19 which resulted in limited growth year over year.

The Corporation has a responsible growth plan including distribution across more provinces in Canada, additional, well-established suppliers to help deepen the product offerings and increase both quality and inventory reliability, further investments in brands, as well as focused sales and marketing and retail efforts in Switzerland. The addition of SIM in Thailand is expected to drive significant revenues as early as Q4 2022 as well as operations commencing in Malta by Q3 2022. Accordingly, MPXI is poised for healthy sales growth over the mid-term, particularly as COVID-19 restrictions begin to ease and consumer sales behaviour begins to settle into both stronger and more reliable patterns and results.

Cost of Sales

For the three months ended March 31, 2022, MPXI posted cost of sales of $614,134 (three months ended March 31, 2021 – $1,061,634). The cost of sales of $607,582 was mainly driven by Canveda and HolyWeed sales. The Corporation continues to expect cost of sales to grow proportionately with sales activity as it continues its ramp up.

For the six months ended March 31, 2022, MPXI posted cost of sales of $1,227,031 (six months ended March 31, 2021 - $1,523,460). The cost of sales of $1,220,479 was mainly driven by Canveda and HolyWeed sales.

Gross Profit

Gross profit for the three months ended March 31, 2022, before adjustment for the unrealized gain in the fair value of biological assets was $1,406,113 which represents a gross margin of 63.3%. The gross margin was driven by sales at Canveda, Spartan and HolyWeed. Gross profit after adjustment for the unrealized gain in the fair value of biological assets was $1,394,270 calculated at 62.8% of sales. The unrealized gain in fair value of biological assets relates to cannabis plants in various growing stages at the Canveda Facility.

Gross profit for the three months ended March 31, 2021, before adjustment for the unrealized gain in the fair value of biological assets was $1,123,634 representing a gross margin of 48.3%. The gross margin was driven by sales at Canveda, Spartan and HolyWeed. Gross profit after adjustment for the unrealized gain in the fair value of biological assets was $1,406,975 calculated at 60.5% of sales. The unrealized gain in fair value of biological assets relates to cannabis plants in various growing stages at the Canveda Facility.

The decrease in gross profits year over year are the result of an offset between increased sales, notwithstanding some intra-period increases and decreases due to market fluctuations and the additional cost related to increased purchasing of 3rd party products and material for resale and further processing. The Corporation hopes to realize additional benefits of increased efficiencies as well as more refined processes as the Corporation continues to take advantage of its experience and expertise, more focused product offerings and more customer centered approach. Additionally, Canadian operations continue to add additional brands and products that will be available in multiple, Canadian jurisdictions, helping to further increase sales and gross margin dollars.

Operating Expenses

Operating expenses	Three months ended March 31		Six months ended March 31	
	($) 2022	($) 2021	($) 2022	($) 2021
General and administrative	3,170,997	3,092,780	6,171,565	5,662,598
Amortization and depreciation	1,552,624	1,174,500	3,065,630	2,554,233
Professional fees	598,884	312,163	989,571	539,511
Share-based compensation	1,171	3,806	2,807	7,063
	5,323,676	4,583,249	10,229,573	8,763,405

The increase in amortization and depreciation for the three and six months ended March 31, 2022 relates primarily to the depreciation of some additional capital assets owned and utilized during the period, amortization of intangible assets, and amortization of right of use assets during the period. While the Corporation has continued to invest in critical, capital assets, the Corporation has invested in more cost effective packaging solutions and fulfillment equipment compared to, for example, base extraction tools in the prior year which carried a significantly higher price. Critical investment continued in Malta but those assets have yet to be put in use as at quarter-end and will only begin to impact balances in future periods. The Corporation has plans for additional capital expenditures throughout the year with the intent of growing customer-facing sales opportunities as well as more diversified product offerings.

The increase in professional fees for the three and six months ended March 31, 2022 relates primarily to audit, advisory, legal work, government and investor relations, consulting and costs associated with the Board. The increase is attributable to current initiatives the Corporation has undertaken across the group. The professional services required to support the Corporation's initiatives will vary quarter over quarter.

As part of the Corporation's incentive stock option plan (the "**Stock Option Plan**"), the Corporation recognized $1,171 of share-based compensation for the three months ended March 31, 2022, as compared to $3,806 in the comparable period. As part of the Stock Option Plan, the Corporation recognized $2,807 share-based compensation for the six months ended March 31, 2022, as compared to $7,063 in the comparable period. The Corporation granted 11,137,180 stock options to employees, directors, officers, and consultants of the Corporation under the Stock Option Plan on February 26, 2019, May 29, 2019, September 19, 2019, February 11, 2020, October 15, 2020, and April 16, 2021, majority of which vested immediately.

General and administrative expenses for the three and six months ended March 31, 2022 and 2021, are allocated as follows:

General and administrative	Three months ended March 31		Six months ended March 31	
	($) 2022	($) 2021	($) 2022	($) 2021
Salaries and benefits	1,559,542	1,498,085	2,832,987	2,750,227
Office and general	971,185	1,147,446	2,122,733	1,665,933
Consulting fees	503,034	293,470	706,422	919,567
Sales and marketing	212,679	51,567	496,424	134,301
Repairs and maintenance	17,036	2,763	27,418	13,240
Regulatory expenses	15,641	45,578	20,201	97,252
Occupancy costs	(108,120)	53,871	(34,620)	82,078
	3,170,997	3,092,780	6,171,565	5,662,598

The increase in general and administrative expenses for the six months ended March 31, 2022, as compared to the six months ended March 31, 2021, was primarily due to increases in office and general, and sales and marketing. More specifically, the increase in office and general is a result of the acquisitions in Thailand which have contributed a full-quarter impact vs. the prior periods. Sales and marketing expenses are also up due to their nature as discretionary expenses.

The Corporation will continue to review its cost structure to ensure it operates in as an efficient a manner as is possible. While nothing specific is planned in this regard, it is the Corporation’s intention to continue monitoring and adjusting its cost base as required, focusing on revenue and profit generating activities while minimizing the administrative overhead burden.

Other expenses and (income)

Other (income) and expenses	Three months ended March 31		Six months ended March 31	
	($) 2022	($) 2021	($) 2022	($) 2021
Foreign exchange	655,001	1,274,685	662,146	1,257,783
Interest and income	2	181	-	172
Interest and financing charges	583,746	95,432	742,370	275,915
Accretion expense	2,917,263	495,420	4,200,568	874,751
FMV change – option component	(48,011)	3,292,190	(1,107,520)	2,510,951
(Gain) loss on disposal of assets	(23,731)	355	(23,731)	355
Bad debt expense	74,644	128,259	72,160	128,259
Transaction costs	72,061	23,888	112,307	236,896
Return of taxes	-	1,844	-	(118,633)
	4,230,975	5,312,254	4,658,300	5,166,449

Foreign exchange for the three and six months ended March 31, 2022, of $655,001 and $662,146 respectively relates to transactions denominated in United States dollars, Swiss Francs, Euros, South African rand, Australian dollars and Thai Baht from the Corporation's global activity. It is expected to fluctuate year over year given the changing timing of the actual cash movement and the corresponding rates and relative fluctuations.

Accretion expense for the three and six months ended March 31, 2022, of $2,917,263 and $4,200,568 respectively relates to the increase in convertible debentures held at March 31, 2022 when compared to the same period the prior year.

FMV change – option component for the three and six months ended March 31, 2022 reflects a loss of $48,011 and $1,107,520 respectively and relates to the change in fair value of the option component of convertible debt at March 31, 2022. This amount can fluctuate quarter over quarter as a function of valuing the outstanding instrument.

Non-IFRS Measures

EBITDA

EBITDA	Three months ended March 31		Six months ended March 31	
	($) 2022	($) 2021	($) 2022	($) 2021
Net loss	(8,319,744)	(8,585,393)	(12,568,690)	(10,848,327)
Adjustments:				
Amortization and depreciation	1,552,624	1,174,500	3,065,630	2,554,233
Interest and financing charges	583,746	95,432	742,370	275,915
Income tax expense	159,363	96,865	219,363	98,865
Interest income	2	181	-	172
EBITDA	(6,024,009)	(7,218,415)	(8,541,327)	(7,921,142)

Adjusted EBITDA

Adjusted EBITDA	Three months ended March 31		Six months ended March 31	
	($) 2022	($) 2021	($) 2022	($) 2021
EBITDA	(6,024,009)	(7,218,415)	(8,541,327)	(7,921,142)
Adjustments:				
Share based compensation	1,171	3,806	2,807	7,063
Consulting fees settled by equity instruments	-	71,772	-	189,804
Unrealized loss (gain) from changes in fair value of biological assets	11,843	(283,341)	(188,475)	(606,093)
FMV change – option component	(48,011)	3,292,190	(1,107,520)	2,510,951
Accretion expense	2,917,263	495,420	4,200,568	874,751
Foreign exchange	655,001	1,274,685	662,146	1,257,783
Bad debt expense	74,644	128,259	72,160	128,259
Lease payments	(336,357)	(374,866)	(671,817)	(750,683)
Loss (gain) on disposal of assets	(23,731)	355	(23,731)	355
Transaction costs	72,061	23,888	112,307	236,896
Adjusted EBITDA	(2,700,125)	(2,586,247)	(5,482,882)	(4,072,056)

Summary of Quarterly Results

Three Months Ended	Total Assets ($)	Net Revenue ($)	Net Loss before income taxes ($)
March 31, 2022	47,133,301	2,020,247	8,160,381[(1)]
December 31, 2021	48,831,833	1,556,855	4,188,946[(2)]
September 30, 2021	50,669,799	1,338,170	13,776,538[(3)]
June 30, 2021	55,489,328	1,776,823	1,875,059[(4)]
March 31, 2021	49,698,333	2,185,268	8,488,528[(5)]
December 31, 2020	54,348,249	1,910,491	2,262,934[(6)]
September 30, 2020	52,369,858	835,929	28,942,694[(7)]
June 30, 2020	79,491,239	920,717	5,437,458[(8)]

Notes:

(1) Net loss before income tax of $8,160,381 consists primarily of net revenue of $2,020,247, cost of sales of $614,134, unrealized loss from changes in the fair value of biological assets of $11,843, operating expenses of $5,323,676, accretion expense of $2,917,263, foreign exchange loss of $655,001, interest and financing charges of $583,746, bad debt expense of $74,644, transaction costs of 72,061, FMV change – option component of ($48,011) and gain on disposal of assets of (23,731).

(2) Net loss before income tax of $4,188,946 consists primarily of net revenue of $1,556,855, cost of sales of $612,897, unrealized gain from changes in the fair value of biological assets of $200,318, operating expenses of $4,905,897, accretion expense of $1,283,305, interest and financing charges of $158,624, transaction costs of $40,246, foreign exchange loss of $7,145, bad debt expense of ($2,484) and FMV change – option component of ($1,059,509).

(3) Net loss before income tax of $13,776,538 consists primarily of net revenue of $1,338,170, cost of sales of $410,309, unrealized loss from changes in the fair value of biological assets of $1,112,991, operating expenses of $4,754,809, impairment of goodwill of $4,904,204, accretion expense of $2,221,039, impairment of intangible assets of $1,732,032, write-down of inventory of $528,606, foreign exchange loss of $395,806, interest and financing charges of $231,366, bad debt expense of ($36,250), transaction costs of ($40,783) and FMV gain on option component of ($1,101,486).

(4) Net loss before income tax of $1,875,059 consists primarily of net revenue of $1,776,823, cost of sales of $560,906, unrealized gain from changes in the fair value of biological assets of $325,053, operating expenses of $5,578,598, foreign exchange gain of $35,536, interest and financing charges of $103,386, accretion expense of $616,610, interest loss of $103,386, bad debt expense of $306,246, FMV gain on option component of $2,800,031, return of taxes of $408,351 and transaction costs of $55,107.

(5) Net loss before income tax of $8,488,528 consists primarily of net revenue of $2,185,268, cost of sales of $1,061,634, unrealized gain from changes in the fair value of biological assets of $283,341, operating expenses of $4,583,249, foreign exchange loss of $1,274,513, FMV loss on option component of $3,292,190, interest and financing charges of $95,432, interest loss of $181, loss on disposal of PPE of $355, bad debt expense of $128,259, transaction costs of $23,888 and return of taxes of $1,844.

(6) Net loss before income tax of $2,262,934 consists primarily of net revenue of $1,910,491, cost of sales of $449,913, unrealized gain from changes in the fair value of biological assets of $322,752, operating expenses of $4,180,156, foreign exchange gain of $16,902, interest and financing charges of $180,483, accretion expense of $379,331, FMV gain on option component of $781,239, interest income of $9, transaction costs of $213,008 and return of taxes of $120,477.

(7) Net loss before income tax of $28,942,694 consists primarily of net revenue of $835,929, cost of sales of ($94,534), unrealized gain from changes in the fair value of biological assets of ($2,999), operating expenses of $5,534,527, write-off of goodwill of $14,471,543, write-down of inventory of $9,972,399, loss on disposal of assets $735,770, foreign exchange gain of $464,767, accretion expenses of $276,767 (from convertible debt), a fair value gain on contingent consideration payable of $341,424, interest and financing charges of $151,996, bad debt expense of $171,676, interest income of $132 and transaction costs of ($370,650).

(8) Net loss before income tax of $5,437,458 consists primarily of net revenue of $920,717, cost of sales of $414,159, unrealized gain from changes in the fair value of biological assets of $789,683, operating expenses of $4,137,018, loss on disposal of assets $2,117,930 (from the abandonment of infrastructure projects in Canada and Australia), foreign exchange loss of $234,589, accretion expenses of $8,598, a fair value gain on contingent consideration payable of $74,970, interest and financing charges of $79,142, bad debt expense of $28,197, interest income of $453 and transaction costs of $202,742.

Selected Consolidated Statement of Financial Position Figures

	March 31, 2022 ($)	September 30, 2021 ($)
Cash	916,071	6,197,184
Inventory	3,925,349	3,012,026
Biological assets	226,485	288,870
Other current assets	3,415,443	3,347,125
Non-current assets	38,649,953	37,824,594
Current and long-term debt	22,712,611	14,722,362
Accounts payable, accrued liabilities, income tax payable and right-of-use liabilities	11,002,973	8,880,044
Other long-term liabilities	3,528,537	4,222,265
Equity attributable to shareholders of the Corporation	6,935,499	17,476,794

As of March 31, 2022, the Corporation had cash available of $916,071 down from $6,197,184 at September 30, 2021. This decrease from September 30, 2021, was mainly due to the timing of the bridge loan funding. The Corporation's cash sources and uses have remained somewhat consistent year over year.

As of March 31, 2022, the Corporation had inventory of $3,925,349 compared to $3,012,026 at September 31, 2021. The increase in inventory was driven by decreased sales.

As of March 31, 2022, the Corporation had biological assets of $226,485 down from $288,870 at September 31, 2021. The decrease in biological assets was driven by transfer to completed inventory in Canveda.

As of March 31, 2022, the Corporation had other current assets of 3,415,443 up from $3,347,125 at September 30, 2021. This was due to an increase in deposits of $135,715 and an increase in prepaid expenses of $35,172, offset by a decrease in accounts receivable of $102,569.

As of March 31, 2022, the Corporation had non–current assets of $38,649,953 up from $37,824,594 at September 30, 2021. This was due to an increase in property, plant, and equipment of $3,860,764 and an increase in long-term deposits of 50,570, offset by a decrease in intangible assets of $2,241,128, a decrease in right-of-use assets of $840,732 and a decrease in restricted cash of $4,115.

As of March 31, 2022, the Corporation had current and long-term debt of $22,712,611 up from $14,722,362 at September 30, 2021. This is due to an increase in non-current convertible debentures of $6,135,134, an increase in current short-term loans of $910,754 relating to a short-term loan in Thailand, an increase in other derivative liability – SIM options of $662,575 and an increase in current convertible debentures of $313,200, offset by a decrease in due to related parties of $16,464 and a decrease in option on convertible debt of $14,950.

As of March 31, 2022, the Corporation had accounts payable, accrued liabilities, income tax payable and current right-of-use liabilities of $11,002,973 up from $8,880,044 at September 30, 2021. This was mainly driven by an increase in accounts payable and accrued liabilities of $2,047,554 and an increase in income taxes payable of $215,500, offset by a decrease in current right-of-use liabilities of $140,125.

As of March 31, 2022, the Corporation had other long-term liabilities of $3,528,537 down from $4,222,265 at September 30, 2021. This was due to a decrease in right-of-use liabilities of $693,215 and a decrease in pension liability of $513.

As of March 31, 2022, the Corporation had equity attributable to shareholders of $6,935,499 comprised of share capital of $66,430,689, other equity of $809,910, warrants of $13,318,485, contributed surplus of $8,697,089, accumulated other comprehensive income of $967,535 and accumulated deficit of $83,287,309.

Liquidity and Capital Resources

Overview

The Corporation manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and

- to maximize shareholder return through enhancing the share value.

The Corporation considers its capital to be total equity. The Corporation manages capital through its financial and operational forecasting processes. The Corporation reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. Selected information is provided to the Board. The Corporation's capital management objectives, policies and processes have remained unchanged during the financial period for this MD&A. The Corporation is not subject to any external capital requirements other than those noted below relating to the outstanding debt instrument.

The Corporation manages its liquidity risk by monitoring its operating requirements. Management prepares budget and cash forecasts to ensure it has sufficient funds to fulfill obligations. In managing working capital,

the Corporation may, where necessary, limit or control the amount of working capital used for operations or other initiatives, pursue additional financing, manage the timing of its expenditures, or sell assets. Considering the ongoing economic challenges that have developed following the onset of the COVID-19 pandemic, the Corporation has implemented additional initiatives to increase liquidity, including applications to government assistance programs and negotiations with key account payable vendors which have resulted in discounts on payables and/or extended payment terms. The Corporation is not subject to any financial ratio maintenance covenants in its bank borrowings or outstanding debt instruments other than the EBITDA covenants and other default covenants consistent with this type of debt transaction contained in the Debenture Indenture. See "*Corporate Highlights for the Three and Six Months Ended March 31, 2022*" for further details with respect to the Offering.

Following the completion of the eight tranches of the Offering which resulted in the issuance of 7,748 Units of the Corporation for gross proceeds of $10,537,280, the Corporation focused the use of the Offering to fund product and facility development in Switzerland and retail expansion in Canada as well as for working capital and other general corporate purposes. In order to maintain current operational capacity, additional sources of capital and/or financing may be required to meet planned growth and to fund our development activities. Liquidity will fluctuate based on demand for working capital resources required for these initiatives.

The Corporation is subject to risks and uncertainties that could significantly impair its ability to raise funds through debt or equity or to generate profits sufficient to meet future obligations, operational, or development needs. See also – "*Risk Factors*" for information on the risks and uncertainties that could have a negative effect on the Corporation's liquidity.

As at March 31, 2022, the Corporation had cash of $916,071 (September 30, 2021 - $6,197,184) to meet its current liabilities of $18,088,761 (September 30, 2021 - $14,758,342). The Corporation had a working capital deficit of $9,605,413 (September 30, 2021 – $1,913,137). The ability of the Corporation to carry out its business plan rests with its ability to secure additional equity and other financing. Although the Corporation has been successful in obtaining financing from related parties and private placements in the past, the Corporation will likely require continued support. These material uncertainties cast significant doubt about the Corporation's ability to continue as a going concern.

Financial Instruments

Fair values

The carrying values of cash, restricted cash, accounts receivable, accounts payable and accrued liabilities, short-term loans, due to/from related parties promissory note, terms loans and deposits are a reasonable approximation of their fair values due to their short-term to maturity.

The option component of convertible debentures is estimated at fair value using a binomial lattice model using the following inputs: stock price (Level 1 input); risk-free rates (Level 1 input); credit spread (Level 3 input); volatility (Level 3 input).

Working Capital

The table below sets out the cash, working capital (deficit) and current and long-term debt as of March 31, 2022 and September 30, 2021:

Working Capital	March 31, 2022 ($)	September 30, 2021 ($)
Cash	916,071	6,197,184
Working capital including cash	(9,605,413)	(1,913,137)
Current and long-term debt	22,712,611	14,722,362

Cash Flows

The Corporation's source of cash includes cash generated primarily from financing activities and other capital raising activities, as well as cash generated from our revenues. Positive cash flows from financing activities are expected to provide the Corporation with enough working capital to meet its short-term financial commitments as they become due. The chart below highlights the Corporation's cash flows during the six months ended March 31, 2022 and 2021:

Cash Flows	March 31, 2022 ($)	March 31, 2021 ($)
Operating activities	(5,842,741)	(3,580,065)
Investing activities	(4,429,356)	(70,627)
Financing activities	5,147,840	3,324,758
Effect of exchange rate fluctuations on cash held	(156,856)	(101,756)
Cash, beginning of period	6,197,184	1,308,811
Cash, end of period	916,071	881,121

Cash used in operating activities

The cash used in operating activities during six months ended March 31, 2022 was $5,842,741, primarily made up of: (1) a net loss of $12,568,690; adjusted for (2) the following items not affecting cash: depreciation and amortization of $3,065,630, total share-based compensation of $2,807, accretion expense of $4,200,568, interest and financing charges of $184,339, change in fair value of derivative liability of ($1,107,520), non cash transaction cost of $27,686, unrealized foreign exchange gain of $32,675, unrealized gain on biological assets of $188,475 and gain on lease disposal of $23,429. Changes in non-cash working capital amounted to a gain of $597,018 (accounts receivable, inventory and biological assets, prepaid expenses and deposits, accounts payable and accrued liabilities, income tax paid).

The cash used in operating activities during the six months ended March 31, 2021 was $3,580,065, primarily made up of: (1) a net loss of $10,848,327; adjusted for (2) the following items not affecting cash: (a) depreciation and amortization of $2,534,973; (b) total share-based compensation of $7,063; (c) accretion expense of $874,759; (d) change in fair value of derivative of $2,510,951; (e) unrealized gain on biological assets of $606,093: (f) loss on disposal of PPE of $400: (g) unrealized foreign exchange loss of $373,230; (h) options issued for services rendered of $189,804; (i) non cash transaction cost of $106,501; and (j) interest

and financing charges of $254,386. Changes in non-cash working capital amounted to a gain of $1,022,288 (accounts receivable, inventory and biological assets, prepaid expenses and deposits, accounts payable and accrued liabilities).

Cash used in investing activities

The net cash used in investing activities during the six months ended March 31, 2022, of $4,429,356 was due to (a) purchase of property, plant, and equipment of $4,429,356.

The net cash used in investing activities during the six months ended March 31, 2021, of $70,627 was due to (a) purchase of property, plant, and equipment of $114,987; and (b) restricted cash of $44,360.

Cash provided by financing activities

The cash provided in financing activities during the six months ended March 31, 2022, of $5,147,840 was due to payments on leases of $617,817, repayment of short term loans of $295,282 and interest payment of $3,409. These were offset by proceeds from private placements of $4,990,348 and proceeds from short-term loans of $1,128,000.

The cash provided in financing activities during the six months ended March 31, 2021, of $3,324,758 was due to proceeds of term loan of $60,000, net proceeds from short term loans of $535,163, due to related parties of $19,384, interest payment of $343,978, and payments on leases of $750,683. These were offset by proceeds from a private placement of $3,870,966.

Outstanding Share Data

The Corporation's authorized share capital consists of an unlimited number of common shares. The following table quantifies the number of issued MPXI Shares, stock options, warrants and securities issuable upon the achievement of milestones:

	May 30, 2022	March 31, 2022	March 31, 2021
Outstanding MPXI Shares	144,322,554	144,322,554	143,389,650
Stock Options	13,222,180	13,222,180	3,189,680
Warrants	319,213,825	217,475,371	115,841,199
Warrants Issuable Upon the Exercise of other Convertible Securities	-	-	68,126
Securities Issuable Upon Achievement of Milestones	31,333,902	31,333,902	31,975,913
Securities Issuable Upon Conversion of Debentures	843,934,994	123,339,748	83,583,335

On January 6, 2022, the Corporation issued bridge loan debentures in the principal amount of $864,960 (US$636,000), 6,360,001 3BL Bonus Warrants and 318,000 SIM Options to certain 3rd Bridge Loan lenders advancing funds in the first tranche of the 3rd Bridge Loan. The 3rd Bridge Loan lenders also received an origination fee in the aggregate amount of $17,300 (US$12,720) from the Corporation. See also – *"Corporate Highlights for the Three and Six Months Ended March 31, 2022 – Third Short Term Bridge Loan Funding"* for further details with respect to the 3rd Bridge Loan.

On January 20, 2022, the Corporation issued bridge loan debentures in the principal amount of $526,170 (US$386,889), 3,868,898 3BL Bonus Warrants and 193,448 SIM Options to certain 3rd Bridge Loan lenders advancing funds in the second tranche of the 3rd Bridge Loan. The 3rd Bridge Loan lenders also received an origination fee in the aggregate amount of $10,523 (US$7,737) from the Corporation. See also – *"Corporate Highlights for the Three and Six Months Ended March 31, 2022 – Third Short Term Bridge Loan Funding"* for further details with respect to the 3rd Bridge Loan.

On February 2, 2022, the Corporation issued bridge loan debentures in the principal amount of $97,467 (US$71,666), 716,668 3BL Bonus Warrants and 35,836 SIM Options to certain 3rd Bridge Loan lenders advancing funds in the third tranche of the 3rd Bridge Loan. The 3rd Bridge Loan lenders also received an origination fee in the aggregate amount of $1,949 (US$1,433) from the Corporation. See also – *"Corporate Highlights for the Three and Six Months Ended March 31, 2022 – Third Short Term Bridge Loan Funding"* for further details with respect to the 3rd Bridge Loan.

On February 3, 2022, the Corporation issued bridge loan debentures in the principal amount of $96,150 (US$70,666), 706,986 3BL Bonus Warrants and 35,350 SIM Options to a certain 3rd Bridge Loan lender advancing funds in the fourth tranche of the 3rd Bridge Loan. See also – *"Corporate Highlights for the Three and Six Months Ended March 31, 2022 – Third Short Term Bridge Loan Funding"* for further details with respect to the 3rd Bridge Loan.

On February 10, 2022, the Corporation issued bridge loan debentures in the principal amount of $957,893 (US$704,333), 7,043,338 3BL Bonus Warrants and 352,171 SIM Options to certain 3rd Bridge Loan lenders advancing funds in the third tranche of the 3rd Bridge Loan. The 3rd Bridge Loan lenders also received an origination fee in the aggregate amount of $19,157 (US$14,086) from the Corporation. See also – *"Corporate Highlights for the Three and Six Months Ended March 31, 2022 – Third Short Term Bridge Loan Funding"* for further details with respect to the 3rd Bridge Loan.

On February 18, 2022, the Corporation issued bridge loan debentures in the principal amount of $335,466 (US$246,666), 2,466,668 3BL Bonus Warrants and 123,335 SIM Options to certain 3rd Bridge Loan lenders advancing funds in the third tranche of the 3rd Bridge Loan. The 3rd Bridge Loan lenders also received an origination fee in the aggregate amount of $6,709 (US$4,933) from the Corporation. See also – *"Corporate Highlights for the Three and Six Months Ended March 31, 2022 – Third Short Term Bridge Loan Funding"* for further details with respect to the 3rd Bridge Loan.

Contractual Obligations and Commitments

Legal Claims

Background

On October 22, 2018 (the "**Spartan Closing Date**"), MPX Bio completed the acquisition of 100% of the outstanding shares in the capital of Spartan from Veteran Grown Corporation ("**VGC**") and Ninth Square Capital Corporation ("**Ninth Square**") for an aggregate purchase price of up to $6,000,000 of MPX Bio common shares and warrants to be issued upon the achievement of certain milestones as set out below during the period beginning on the Spartan Closing Date and ending on the date that is twenty-four (24) months from July 29, 2019 being the date on which Canveda became fully licensed to produce, distribute and sell cannabis. Upon the completion of the Arrangement, the Corporation acquired Spartan from MPX Bio.

Following the Spartan Closing Date and the completion of the Arrangement whereby the Corporation acquired Spartan, shareholders of VGC continued working with Spartan, which achieved the first milestone in the third quarter of 2019. Upon entering a substituted consideration agreement (the "**Substituted Consideration**

Agreement") dated July 29, 2019 with VGC, the Corporation issued to VGC in connection with the achievement of the first milestone, 439,453 MPXI Shares at a deemed value of $0.64 per MPXI Share and 64,935 common share purchase warrants exercisable at a price of $0.77 per MPXI Share for a term of three (3) years from the date of issue.

On the Spartan Closing Date, MPX Bio issued an aggregate of 781,250 common shares of MPX Bio and 108,695 common share purchase warrants of MPX Bio to Ninth Square and VGC as the vendors.

Ninth Square Claim

The Corporation was served with a statement of claim on August 7, 2019, which was subsequently amended on August 31, 2019 (collectively, the "**Ninth Square Claim**"), by Ninth Square Capital. Ninth Square is a party to the September 2018 Share Purchase Agreement ("**SPA**") by which it sold the shares of Spartan. Ninth Square seeks damages in the amount of $3 million from MPXI as well as co-defendants iAnthus and MPX Bio. The Ninth Square Claim alleges that, among other things, the Arrangement was unfairly prejudicial to and unfairly disregarded the interest of Ninth Square.

On September 30, 2019, the Corporation defended the Ninth Square Claim, denying the allegations against it, and issued a counterclaim seeking damages in the amount of $1 million from Ninth Square. The counterclaim alleges, among other things, that Ninth Square breached the terms of the SPA, including the restrictive covenant. Ninth Square served the Corporation with its defense to the counterclaim on November 4, 2019.

The Corporation is vigorously defending the action and prosecuting its counterclaim and maintains that it should not be obligated to do anything other than deliver securities as contemplated by the earn-outs that it already contractually agreed to make under the SPA.

MAT4 Claim

On July 16, 2020, the Corporation, was served with a statement of claim from MAT 4 Site Engineers Ltd. ("**MAT4**") seeking damages in the amount of $23,306 (the "**MAT4 Claim**") from MPXI, as well as co-defendants, BioCannabis Products Ltd. ("**BioCannabis**"), a wholly owned subsidiary of MPXI, 1799 20th St. E. Inc., QS1 2012 GP Inc., QS1 2012 LP, Solarize Financial 2015 LP, Solarize Financial 2015 GP Inc. and Bank of Montreal (the "**MAT4 Defendants**"). The MAT4 Claim alleges, among other things, a construction lien and default of payment of fees on the part of the MAT4 Defendants.

Lifestyle Claim

On October 8, 2020, the Corporation was served with a statement of claim from Lifestyle Management Inc. ("**Lifestyle**") seeking damages in the amount of $530,000 (the "**Lifestyle Claim**") from MPXI as well as co-defendants, MCLN, Michael Arnkvarn and David Melia (the "**Lifestyle Defendants**"). The Lifestyle Claim alleges, among other things, breach of contract and misrepresentation on the part of the Lifestyle Defendants.

The Corporation intends to vigorously defend the Lifestyle Claim.

Techhi Claim

On April 23, 2021, the Corporation was served with a statement of claim from Techhi Consultants Limited ("**Techhi**") seeking damages in the amount of $94,800 (the "**Techhi Claim**") from MPXI alleging breach of contract on the part of MPXI.

The Corporation and Techhi have agreed to a payment schedule and the Techhi Claim has been put on hold as a result.

Stock Option Plan

The Stock Option Plan of MPXI is a rolling stock option plan that sets the number of MPXI Shares issuable thereunder at a maximum of 10% of the MPXI Shares issued and outstanding at the time of any grant. As of the date of this MD&A, 13,322,180 stock options are outstanding to purchase MPXI Shares as governed by the Stock Option Plan and are currently outstanding.

Related Party Transactions

Transactions with key management personnel

Key management are those persons having authority and responsibility for planning, directing and controlling activities, directly or indirectly, of the Corporation. Remuneration of directors and key management personnel of the Corporation was as follows:

Selected Results and Earnings	Three months ended March 31		Six months ended March 31	
	($) 2022	($) 2021	($) 2022	($) 2021
Salaries and benefits	183,456	184,865	366,518	369,878
Share-based compensation	1,171	3,806	2,807	7,063
	184,627	188,671	369,205	376,941

Related party transactions not disclosed elsewhere are summarized below:

At March 31, 2022, each of the officers and directors of the Corporation with control of less than 10% of the MPXI Shares collectively control 20,329,944 MPXI Shares or approximately 14.09% of the total MPXI Shares outstanding.

At March 31, 2022, each of the officers and directors of the Corporation with control of less than 10% of the SIM Shares collectively control 150,200 SIM Shares or approximately 0.75% of the total SIM Shares outstanding.

Outlook

The Corporation is focused on developing and operating assets across the international cannabis industry with an emphasis on manufacturing, processing and packaging, and marketing products which include cannabinoids as their primary active ingredient.

In Canada, the Corporation is transitioning its principal business model away from cultivation to one of intermediation between buyers and sellers, accessing or facilitating the sale of cannabis products from other License Holders and arranging or facilitating sales to medical cannabis consumers domestically or, increasingly, to international buyers. The recent announcement regarding the licensing and distribution of edibles with Blackhawk is a case in point as Canveda is now the exclusive Canadian distributor of multiple SKU's of shelf stable cannabis edibles. Furthermore, the Corporation continues to acquire already established brands to help drive a deeper offering portfolio. This strategy reduces or eliminates the need for large capital

investment, while generating fees and margins with equivalent net returns to those generally available from seed-to-sale operations.

Domestically, Spartan and the MCLN are currently working together with several third-party Licence Holders to educate and market cannabinoid-based medicines to Canadian patients. Revenue is generated through transactional and/or hourly-based consulting fees from Licence Holders. The Spartan/MCLN platform acts as both a telemedicine medium providing patient access to medical practitioners for advice and cannabis prescriptions and as a sales platform for Canveda and anticipates adding other third-party Licence Holders in the coming months. The MCLN operates in much the same manner as Amazon or Shopify by providing on-line sales facilitation between medical cannabis users and Licence Holders.

While it will continue to operate the Canveda Facility, and in consideration of the domestic oversupply conditions, MPXI has shelved plans for any acquisition or expansion of additional cultivation in Canada and will market its annual production at Canveda through its Spartan and MCLN channels as well as to various provincial cannabis distribution agencies. In December 2019, the Corporation accelerated its option to acquire 100% of MCLN securing an exclusive, worldwide, perpetual, royalty free licence to the Medical Cannabis Learning Network. This private social network connects patients with credible information on the use of medical cannabis, offers the ability to conduct virtual consultations with qualified medical practitioners and acts as an order-entry tool for the purchase of medical cannabis products from Canveda. MPXI is anticipating the addition of other third-party Licence Holders to the platform over the next several months.

The MCLN and its integration with the Spartan platform will play a significant role in our growth in Canada this year. Spartan is a leading medical cannabis clinic dedicated to assisting Veterans of the Canadian Forces, RCMP and first responders since 2017. Spartan has also expanded its services to helping Canadians seeking medical cannabis education, prescriptions, and advice on a wide selection of reputable Health Canada approved product offerings at its premier virtual clinic. Spartan prides itself on its 3 key measures for aligning clients with reputable suppliers: customer service~~s~~, product availability, and product quality. Spartan attributes its continued growth to its 4 Pillars of Success: (1) Honesty; (2) Integrity; (3) Respect; and (4) Giving Back to the Community.

Over 40 countries, including 24 in Europe, have legalized cannabis in some form and medicinal use is by far the primary focus of legalization. Success in the medical cannabis marketplace is largely determined by the number of patients being served and the Medical Cannabis Learning Network is a leading edge “patient acquisition” technology which can be adapted for use in many countries.

MPXI continues to explore opportunities to enter the retail (dispensary) arena in Canada and Switzerland. The first “HolyWeed” branded location was launched in Geneva in January 2020 and has been consistently profitable, supported planned expansion of retail outlets in Zurich and elsewhere in Europe. The Corporation intends to continue the creation of a retail footprint for its products in Canada, Europe and elsewhere.

In Switzerland, MPXI has entered into leases for two facilities in the Geneva area and while delayed by the advent of the COVID-19 pandemic, both are being converted into extraction and processing facilities and initial production of high-quality CBD distillate commenced in September with capacity expected to continue to expand during the next few months which offers the Corporation the ability to sell its CBD distillate and isolate into the global market.

With the ultimate goal of creating a global supply chain of low-cost biomass, efficiently-scaled production of GMP quality cannabinoid products for sale into high-value markets, the Corporation will also continue to develop its projects in Malta and South Africa. While again plagued with COVID-19 induced delays, the

Corporation still expects each of these projects to commence operations during calendar 2022 and 2023, respectively.

Finally, the Corporation continues to investigate other international expansion opportunities that can provide lower-cost cultivation, new genetics, innovative production technologies and, most importantly, new markets for its products. In addition, and as part of the aforementioned investigation, the Board, supported by its management team, regularly explores and evaluates potential strategic alternatives focused on maximizing shareholder value. These alternatives could include, among other things, the sale of part or all of the Corporation, financing certain business units of the Corporation through equity or debt, a sale of some of the assets of the Corporation, a merger or other business combination with another party, or other strategic transactions.

The business interruption created by the global shutdowns and travel restrictions has had a negative impact on the progress of the multiple domestic and international projects initiated by the Corporation in late 2019 and early 2020. Unlike most other cannabis ventures, virtually all of MPXI's operations were still in the pre-revenue stage when COVID-19 emerged. As a result, the Corporation embarked on a plan of cost containment, including wage reductions, the cancellation of several consulting arrangements, the delay of construction of facilities in Switzerland and South Africa and the abandonment of selected infrastructure projects in Canada. MPXI will extend many of these cost-saving initiatives in the post-COVID-19 period.

The international cannabis industry is evolving rapidly. Regional reports prepared by the London-based cannabis research firm Prohibition Partners predicts that by 2028, the European market for cannabinoid-based products will reach €120 billion (US$135 billion), the Oceania region will approach US$8.7 billion and, by 2024 Southeast Asia will achieve sales of US$8.5 billion (not inclusive of the huge CBD market in China). These potential revenues more than double the projected North American market for the same period.

The Thailand initiative by MPXI, through its participation in SBT and SIM, offers the Corporation a unique opportunity to secure an early-mover position in a rapidly growing CBD and medical cannabis market in that country and to potentially export cannabinoid-based wellness and medical products throughout Southeast Asia.

Construction of EU-GMP compliant extraction and support facilities are well-advanced, indications of interest from potential buyers have been received representing several thousand kilograms of finished product and the local management team has sourced several tons of hemp biomass so that extraction and distillation of CBD distillate and isolate commenced in the beginning of calendar Q4. Construction of a mid-scale, medical-grade, indoor cannabis cultivation structure is intended to commence later this year.

Current pricing for both CBD and for medical cannabis containing THC is several multiples of market prices in North America due to high demand, an extremely limited supply and a restriction on imports from other countries.

In summary, management sees the opportunity in Thailand and Southeast Asia to be potentially highly-lucrative in the near-term with the expectation that MPXI will accrue significant revenue from these operations commencing in 2022.

MPXI, with its access to best practises, product formulations, SKU variety and branding acquired from management's previous U.S. involvement, its management experience in both the U.S. and international cannabis and financial markets, its access to global capital and its early mover entry into multiple geographic regions, is extremely well positioned to benefit from this exponential growth in the international cannabis market.

Off-Balance Sheet Arrangements

As of the date of this MD&A, the Corporation does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Corporation, including, and without limitation, such considerations as liquidity and capital resources.

Critical accounting judgements and estimates

The following are the critical judgments, apart from those involving estimations that have the most significant effect on the amounts recognized in the consolidated financial statements.

In preparing the Interim Financial Statements, the Corporation's management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by the Corporation's management in applying the Corporation's accounting policies and the key sources of estimation uncertainty were the same as those described in the last Annual Financial Statements.

Fair value measurements

Certain of the Corporation's (financial) assets and liabilities are measured at fair value. In estimating fair value, the Corporation uses market-observable data to the extent it is available. In certain cases where Level 1 inputs are not available the Corporation will engage third party qualified valuators to perform the valuation.

Information about the valuation techniques and inputs used in determining the fair value of biological assets is disclosed in Note 8, option components of convertible debentures in Note 17, other derivative liabilities in Note 17 and financial instruments in Note 29 of the Interim Financial Statements.

Except as described below, the accounting policies applied in the Interim Financial Statements are the same as those applied in the last Annual Financial Statements.

The changes in accounting policies are also expected to be reflected in the Corporation's consolidated financial statements as at and for the year ending September 30, 2022.

Future Accounting Policies not yet Adopted

Amendments to IAS 1 – Presentation of Financial Statements: Classification of Liabilities as Current or Non-current

The amendment clarifies the requirements relating to determining if a liability should be presented as current or non-current in the statement of financial position. Under the new requirement, the assessment of whether a liability is presented as current or non-current is based on the contractual arrangements in place as at the reporting date and does not impact the amount or timing of recognition. The amendment applies retrospectively for annual reporting periods beginning on or after January 1, 2022. The Corporation is currently evaluating the potential impact of these amendments on the Corporation's consolidated financial statements.

Amendments to IAS 37 – Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts and the cost of Fulfilling a Contract

The amendment specifies that 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts. The amendment is effective for annual periods beginning on or after January 1, 2022 with early application permitted. The Corporation is currently evaluating the potential impact of these amendments on the Corporation's consolidated financial statements.

CANNABIS REGULATORY FRAMEWORK IN CANADA

Below is a summary of the current and prior legislation in force in Canada related to both medical and adult-use cannabis.

Prior to the *Cannabis Act* (Canada) and the *Cannabis Regulations* (Canada) coming into force, only the sale of medical cannabis was permitted and was regulated by the ACMPR made under the Controlled Drugs and Substances Act (the "**CDSA**"). On October 17, 2018, the *Cannabis Act* (Canada) and the *Cannabis Regulations* (Canada) (the "**Cannabis Regulations**") came into force, regulating the cultivation, processing, possession, promotion and sale of cannabis in Canada for both medical and adult use purposes. The Cannabis Regulations replaced the CDSA and the ACMPR as the governing laws and regulations relating to cannabis in Canada, including in respect of the cultivation, processing, sale, and distribution of cannabis for medical purposes.

The Cannabis Regulations provide a licensing and permitting system for the cultivation, production, importation, exportation, testing, packaging, labelling, sending, delivery, transportation, promotion, sale, possession and disposal of adult-use cannabis and medical-use cannabis. The Cannabis Regulations, among other things, sets out requirements relating to the following matters: (i) licences; (ii) security clearances; (iii) physical security requirements and good production practices; (iv) permitted cannabis products; (v) packaging, labelling and promotion; and (vi) cannabis for medical purposes.

On October 17, 2019, the Regulations Amending the Cannabis Regulations came into force (the "**Further Regulations**"). The Further Regulations amend the Cannabis Act and Cannabis Regulations to, among other things, allow the production and sale of cannabis extracts (including concentrates), cannabis edibles and cannabis topicals (the "**New Products**") by parties holding the appropriate licenses. The New Products are now permitted in addition to the previously-permitted cannabis products, including dried cannabis, fresh cannabis, cannabis seeds and cannabis plants. Cannabis oil will now be regulated as cannabis extracts.

On December 11, 2020, Health Canada announced a new public consultation in relation to its intent to amend the Cannabis Regulations and associated regulatory framework to allow for non-therapeutic cannabis research involving human participants and cannabis testing as well as the following additional issues to help inform potential future regulatory development: public possession limits, product labelling requirements, micro-class and nursery licensing regime and measures to support cannabis licence holders with difficulties they might have because of COVID-19. The comment period closed on January 11, 2021. This consultation came ahead of a full review of the federal legislative framework on cannabis in Canada which is currently underway.

Health Canada also announced the Forward Regulatory Plan which provides information on regulatory initiatives related to a variety of public health matters which include proposed regulations within amendments to the Food and Drugs Act and the Cannabis Act that will address: (i) regulation of health products containing cannabis that would not require health practitioner oversight, (ii) restrictions on flavours in cannabis extracts for inhalation, including cannabis vaping products, and (iii) reductions of barriers to cannabis research and testing activities to facilitate cannabis research for non-therapeutic purposes.

Licenses

The Cannabis Regulations establish six classes of licences under the Cannabis Act: (i) cultivation licences; (ii) processing licences; (iii) analytical testing licences; (iv) sales for medical purposes licences; (v) research licences; and (vi) cannabis drug licences. The Cannabis Regulations also create subclasses for cultivation licences (standard cultivation, micro-cultivation and nursery), processing licences (standard processing and micro-processing) and sale (sale for medical purposes). Different licences and each subclass carry differing rules and requirements that are intended to be proportional to the public health and safety risks posed by each, the activity permitted, and the amounts of cannabis contemplated within each licence category.

Security Clearances

Certain people associated with a holder of a federal licence for cannabis cultivating, processing and/or medical sales (a "**Licence Holder**"), including: (i) individuals occupying a "key position" within the Licence Holder; (ii) directors, officers and individuals who exercise, or are in a position to exercise, direct control over a corporate Licence Holder; (iii) directors and officers of any corporation that exercises, or is in a position to exercise, direct control over a corporate Licence Holder; and (iv) certain other individuals identified by the Minister of Health (the "**Minister**"), must hold a valid security clearance issued by the Minister. Under the Cannabis Regulations, the Minister may refuse to grant security clearances to individuals with associations to organized crime or with past convictions for, or an association with, drug trafficking, corruption or violent offences.

Cannabis Tracking System

Pursuant to the Cannabis Act, the Minister has established a national cannabis tracking system, known as the Cannabis Tracking and Licensing System (the "**CTLS**"). The CTLS provides a single-entry-point online secure platform for filing applications for security clearances and licences under the Cannabis Regulations. It also permits the Minister to track cannabis through the supply chain to help prevent diversion of cannabis into, and out of, the legal market. Licence Holders are required to, among other things, submit monthly reports to the Minister relating to inventory of their cannabis products.

Cannabis Products

As of October 17, 2019, the Cannabis Regulations authorize the sale of the following classes of cannabis by authorized persons: dried cannabis, cannabis oil, fresh cannabis, cannabis plants, cannabis plant seeds, edible cannabis, cannabis extracts and cannabis topicals.

Licence Holders are required to provide sixty (60) days' notice to Health Canada of their intent to sell any product which they have not previously sold, including any New Products. Assuming Health Canada does not object to the New Products being listed for sale, sales will be permitted to authorized retailers and medical patients at the expiry of the 60-day notice period.

Packaging and Labelling

The Cannabis Regulations set out strict requirements pertaining to the packaging and labelling of cannabis products (including the New Products). These requirements include plain packaging, strict limits on the use of logos, colours and other branding elements, and the requirement that cannabis products be packaged in a child-resistant container. In addition to the brand name, only one other brand element (e.g., logo, design or slogan) can be displayed. The Cannabis Regulations further impose requirements regarding disclosure and labelling of product source information (e.g., class of cannabis and prescribed information about the cultivator

or processor), mandatory health warnings, a standardized cannabis symbol and specific product information around THC and CBD content. The same restrictions generally apply, with limited changes, to the New Products.

These requirements are intended to promote informed consumer choice and allow for the safe handling and transportation of cannabis, while also reducing the appeal of cannabis to youth and promoting safe consumption.

Advertising and Promotional Activity

The Cannabis Act restricts the promotion of cannabis (including all cannabis products), cannabis accessories and services related to cannabis. Subject to a few exceptions, all promotions of cannabis, cannabis accessories and services related to cannabis are prohibited unless authorized by the Cannabis Act. Exceptions to the general prohibition on promotion are provided for "informational" and "brand-preference" promotion that is communicated in a manner that does not permit the promotion to be seen or otherwise accessed by young people. Within permitted channels for promotional activity, content is restricted to prohibit any promotional activity that: (i) communicates price or distribution; (ii) could be appealing to young persons; (iii) includes a testimonial or endorsement; (iv) depicts a person, character or animal, whether real or fictional; or (v) presents in way that evokes a positive or negative emotion about or image of, a way of life such as one that includes glamour, recreation, excitement, vitality, risk or daring. It is also prohibited to promote cannabis in a manner that is false, misleading or deceptive or that is likely to create an erroneous impression about its characteristics, value, quantity, composition, strength, concentration, potency, purity, quality, merit, safety, health effects or health risks.

Display of a brand element in sponsorship of a person, event, entity, activity or site, and naming of a sports or cultural site with a cannabis brand element, are also prohibited. The Cannabis Act also prohibits offering cannabis or a cannabis accessory without consideration or as consideration for other purchases or transactions. Similarly, it is prohibited to offer benefits conditional on purchase of cannabis or a cannabis accessory.

On October 17, 2019, the Further Regulations came into effect prohibiting any promotional communication: (i) that a cannabis extract has the flavour of confectionery, dessert, soft drinks or energy drinks; (ii) of health or cosmetic benefits for all cannabis; (iii) of energy values or nutrients for edible cannabis; (iv) of meeting special diets for edible cannabis; (v) that associate cannabis with an alcoholic beverage; or (vi) that associate cannabis with a tobacco product or a vaping product (a "vaping product" as defined in the Tobacco and Vaping Products Act, which excludes cannabis). In addition, the Cannabis Regulations have been amended to restrict the number and size of brand elements on promotional items.

On June 19, 2021, a consultation was opened by Health Canada about flavours in inhaled cannabis extracts with the aim to amend the Cannabis regulations and was closed on September 2, 2021. Health Canada has stated that the availability of flavours is one of the factors that has contributed to the increase in cannabis vaping in youth and young adults. Health Canada published proposed amendments to the Cannabis Regulations restricting flavours in inhaled cannabis extracts in the Canada Gazette, Part I. The proposed amendments to the Cannabis Regulations would restrict the production, sale, promotion, packaging, or labelling of inhaled cannabis extracts (medical or non-medical) from having a flavour, other than the flavour of cannabis. These proposed amendments have not yet been registered nor effected.

Health Products and Cosmetics Containing Cannabis

Health Canada is taking a scientific, evidenced-based approach to the oversight of products with cannabis that make associated health claims, including prescription and non-prescription drugs, natural health products,

veterinary drugs, veterinary health products and medical devices (discussed further below). Under the current regulatory framework, these health products are subject to the Food and Drugs Act ("**FDA**") and its regulations, in addition to the Cannabis Act and the Cannabis Regulations. The Cannabis Exemption (Food and Drugs Act) Regulations exempt cannabis from the FDA unless, among other things, therapeutic claims are made in association with such products. Pre-market approval from Health Canada is required for all products containing cannabis and an associated health claim.

When the Cannabis Act and Cannabis Regulations were introduced, the Natural Health Products Regulations under the FDA were amended to essentially prohibit cannabis products from being regulated as a natural health product. Instead, any cannabis product with an associated health claim is treated as a drug product. At present, cannabis (including all cannabinoids) is included on Health Canada's Prescription Drugs List. On June 19, 2019, Health Canada announced a new public consultation in relation to a potential new category of products referred to as "cannabis health products" ("**CHPs**"). The comment period closed on September 3, 2019.

On September 25, 2020, Health Canada published the results from the consultation and outlined key parameters for the proposed CHP category, including legal oversight, health claims, ingredients, the retail environment for both provincial and territorial retailers as well as federally licensed sellers of cannabis, protecting young persons and packaging and labelling requirements. Health Canada further advised that they intended to create a scientific advisory committee to further advice relating to CHPs. This new category of cannabis products may potentially address the current gap that essentially prohibits the making of health claims in connection with any cannabis product, other than as a prescription drug.

Cannabis for Medical Purposes

On October 17, 2018, the medical cannabis regime migrated from the CDSA and the ACMPR to the Cannabis Act and the Cannabis Regulations. The medical cannabis regulatory framework under the Cannabis Act and the Cannabis Regulations remains substantively the same as under the CDSA and the ACMPR, with adjustments to create consistency with regulations applicable to adult-use, to improve patient access, and to reduce the risk of abuse within the medical access system.

Under Part 14 of the Cannabis Regulations patients have three options for obtaining cannabis for medical purposes: (i) register a medical document with a holder of a medical sales licence to become a client of, and to purchase cannabis products from, that medical sales Licence Holder; (ii) register a medical document with Health Canada to produce a limited amount of cannabis; or (iii) register a medical document with Health Canada to designate someone else to produce a limited amount of cannabis for them.

With respect to (ii) and (iii), starting materials, such as cannabis plants or cannabis plant seeds, must be obtained from a Licence Holder. It is possible that (ii) and (iii) could significantly reduce the addressable market for the Corporation's products and could materially and adversely affect the business, financial condition and results of operations of the Corporation. That said, management of the Corporation believes that many patients may be deterred from opting to proceed with options (ii) or (iii) since such steps require applying for and obtaining registration from Health Canada to grow cannabis, as well as the up-front costs of obtaining equipment and materials to produce such cannabis.

The Cannabis Regulations provide that a medical document authorizing the use of cannabis for medical purposes must include the daily quantity of cannabis that the healthcare practitioner who provides the medical document authorizes for the patient. The maximum amount of cannabis products that may be sold to the patient are based on this daily quantity. Such medical documents are also subject to rights afforded to the patients whereby the patient may be able to request the return of their medical document from a federally

licensed seller and a transfer of such medical document to a different federally licensed seller.

Export Permits

Export permits issued by Health Canada are specific to each shipment and may only be obtained for medical or scientific purposes. To apply for a permit to export cannabis, a Licence Holder must submit significant information to the Minister including information about the substance to be exported (including description, intended use, quantity) and the importer. As part of the application, applicants are also required to provide a copy of the import permit issued by a competent authority in the jurisdiction of final destination and to make a declaration to the Minister that the shipment does not contravene the laws of the jurisdiction of the final destination or any country of transit or transshipment. Export permits are time limited, and the Minister may include conditions that the export permit holder must meet to comply with an international obligation, or reduce any potential public health, safety or security risk, including the risk of the exported substance being diverted to an illicit market or use. Moreover, the jurisdiction of import may impose additional obligations on a Canadian exporter. Export permit holders must also comply with post-export reporting requirements.

Provincial and Territorial Developments

While the Cannabis Act provides for the regulation by the Canadian federal government of, among other things, the production of cannabis for adult-use (i.e., non-medical) purposes, the Cannabis Act has authorized the provinces and territories of Canada to regulate other aspects of consumer cannabis, such as sale and distribution, minimum age requirements, and consumption. The government of each Canadian province and territory has regulatory regimes in place for the distribution and sale of cannabis within those jurisdictions. Retail sales are made online and at brick-and-mortar retail stores.

There are three general frameworks for brick-and-mortar retail: (i) private cannabis retailers licensed by the province (ii) government-operated retail stores; or (iii) a combination of both frameworks. Regardless of the framework, the recreational cannabis market is ultimately supplied by federally licensed cultivators and processors. In addition, each of these Canadian jurisdictions has established a minimum consumption age of 19 years old, except for Québec and Alberta, where the minimum age is 21 and 18, respectively.

The table below outlines the current regimes in each province and territory. There is no guarantee that the provincial and territorial frameworks supporting the legalization of cannabis for adult-use in Canada will continue with the terms outlined below or at all or, will not be amended or supplemented by additional legislation.

Activity	Privately Operated	Publicly Operated
Storefront adult-use sale	Alberta British Columbia Manitoba Newfoundland and Territories Northwest Territories Nunavut Ontario Saskatchewan Yukon	British Columbia Québec New Brunswick Northwest Territories Nova Scotia Prince Edward Island Yukon
Online adult-use sale	Manitoba Saskatchewan	Alberta British Columbia New Brunswick Newfoundland and Territories Northwest Territories Nova Scotia Nunavut Ontario Prince Edward Island Québec Yukon

All provinces and territories have a public possession limit of 30 grams per individual.

CANNABIS REGULATORY FRAMEWORK IN FOREIGN COUNTRIES IN WHICH MPXI HAS PLANNED OPERATIONS

The Corporation only conducts business in jurisdictions outside of Canada where such operations are legally permissible in accordance with the laws of the jurisdiction and Canadian regulatory obligations. The Corporation has planned activities in Thailand, Switzerland, Malta and South Africa and may expand into other jurisdictions in the future. For the Corporation to export or import cannabis products to or from an international jurisdiction, the Corporation is required to apply for an export/import permit from Health Canada and a corresponding import/export permit from the regulator in the international jurisdiction.

Regulatory Framework of cannabis and hemp in Thailand

On February 19, 2019, the Narcotics Act (No.7) (the "**Thai Narcotics Act**") was amended making Thailand the first Asia-Pacific country to legalize medicinal cannabis. As a result, patients with specific illnesses or conditions can now access medicinal cannabis from an authorized prescriber of medicinal cannabis with limitation control. Since then, the Thai government has been taking action to allow the cultivation, production, import, export, distribution and possession of cannabis and hemp for medicinal use or for the purpose of research and development.

The main regulator of the cannabis and hemp industry in Thailand is the Thai Food and Drug Administration (the "**Thai FDA**"), a government agency operating under supervision of Ministry of Public Health ("**MoPH**"), which works closely with the Office of the Narcotics Control Board, Ministry of Justice, along with the other

government agencies such as Department of Agriculture.

THC/CBD classification

Under the Thai Narcotics Act, Cannabis and hemp are classified as a Category 5 Narcotics, which means that no person shall conduct any activities relating to the production, import, export, disposal, possession or consumption.

In December 2020, the Thai Narcotics Act was amended, and the following parts and extracts of the cannabis and hemp plant were delisted as a Category 5 narcotic:

Type of Plant	Part of Cannabis/hemp that have been delisted from the Thai Narcotic Act
Cannabis Containing greater than 1% THC	(A) Stalks, stems, fibers, branches, roots (B) Leaves without the tip and inflorescence (C) Extracts comprising cannabidiol (CBD) with not more than 0.2% tetrahydrocannabinol (THC) by weight (D) Residues from extraction with less than 0.2% THC by weight
Hemp Containing less than 1% THC	(A) Stalks, stems, fibers, branches, roots (B) Leaves without the tip and inflorescence (C) Extracts comprising cannabidiol (CBD) with not more than 0.2% tetrahydrocannabinol (THC) by weight (D) Hemp seed, hemp seed oil and hemp seed extract (E) Residues from extraction with less than 0.2% THC by weight

As a result, these parts and extracts of cannabis and hemp are no longer identified as a Category 5 narcotic, provided they are grown or produced in Thailand and used for medical, research and products of health products purposes only.

Thailand licensing requirement

<u>Cannabis</u>

The cultivation, production, importing, exporting, distribution and possession of cannabis requires licenses from the Thai FDA under the Thai Narcotics Act. Presently, licenses have been granted only for state agencies such as government research institutions, universities and social enterprise. Licensing rules and procedures for private sector is expected to be implemented after 2024.

<u>Hemp</u>

Under the Ministerial Regulation Re Application and License for Production, Import, Export, Selling or Possession of Hemp, gazetted on December 30, 2020, a licence to produce, import, export, distribute and possess hemp may be issued to a natural person, juristic person, or community enterprise if one or more of the following objectives have been met: (i) furthering the goal or mission of state agency; (ii) utilising hemp fiber in accordance with culture, tradition or lifestyle provided that the cultivation area is restricted to one rai (1,600 square meters) per one family; (iii) for commercial or industrial purposes; (iv) for medical purposes; (v) for education, analysis, research and improvement; and (vi) producing the certified hemp seed.

Regulatory Framework in Switzerland

Commercialization of products containing Delta 9 tetrahydrocannabinol (THC)

Legal cultivation, distribution and consumption of cannabis in Switzerland is highly regulated and is generally only allowed for medicinal and scientific use under the terms of the *Federal Act on Narcotics and Psychotropic Substances* of October 3, 1951 (the "**Swiss Narcotics Act**"). Cannabis containing greater than 1% THC is generally prohibited from being cultivated and distributed, subject to obtaining an exceptional license. Without such exceptional license, any commercial activities in connection with cannabis or other products containing greater than 1% THC is prohibited in Switzerland.

The Federal Office of Public Health (the "**FPOH**") grants such exceptional licenses pursuant to the following activities: (i) the development of medicinal products; (ii) for restricted medical use (on prescription from a medical doctor); or (iii) scientific research purposes. An exceptional license for cultivation, import from another jurisdiction, production, or distribution of cannabis may be granted by the FPOH if cannabis is an active ingredient in a medicinal product authorized by the Swiss Agency for Therapeutic Products. Import / export license application process includes receipt of certification of good agricultural control practices protocols and hazard analysis critical control points to the satisfaction of the Swiss Agency for Therapeutic Products ("**Swissmedic**").

However, cannabis containing less than 1% THC is not subject to the federal Swiss Narcotics Act and is considered to be legal. No license is required under the Swiss Narcotics Act to cultivate or sell products containing cannabis with less than 1% THC; however, such products are subject to general regulations. If products are qualified as food, Swiss statutory law fixes maximum level of THC in different types of food product that should be complied with.

Depending on the products classification, either of the FOPH, the Federal Food Safety and Veterinary Office (the "**FSVO**") and Swissmedic, the Swiss Agency for Therapeutic Products, are responsible for the supervision and control of such low-THC cannabis products.

Smoked tobacco substitutes are subject to the Tobacco Products Ordinance, and must satisfy requirements applicable to smoked tobacco products, including health and safety regulations, and must comply with the FPOH's reporting requirements, packaging information requirements, business and tax registration.

Commercialization of products containing CBD

The set of Swiss statutory rules that apply to products containing CBD changes depending on classification of these products. Pursuant to *Federal Act on Food Products and Usual Items* (the "**FAFUI**") and the *Ordinance on Food Products and Usual Items* (the "**OFUI**"), the commercialization of cosmetic products containing CBD and of usual item enriched with CBD is authorised at the condition that (i) the CBD products remain safe (contain less than 1% THC and no substance with pharmacological effects), and (ii) do not mention any medical or therapeutic effects. Commercialization of these products does not require any authorization.

Any food enriched with CBD (e.g., dietary food supplement or hemp seed oil with added CBD) must be qualified as *Novel Food* due to its negligible consumption before May 15, 1997. Thus, prior to the offer for sale, the products must be authorized by the FSVO or European Commission. The concept of food product enriched with CBD comprises any product that is intended to be ingested or can reasonable be expected to be ingested by humans. Each canton has a competent authority to ensure that these rules are complied with.

A CBD medicine must be manufactured in accordance with *Good Manufacturing Practices* requirements with CBD of a quality at least equivalent to the quality of the Cannabidiol monograph C-052 of the German Pharmaceutical Code. The commercialization of CBD medicine shall be authorised by Swissmedic.

Prior to offer for sale of CBD smoked tobacco substitutes these products shall be declared to FOPH with indication of all toxicological data of the additives used. Swiss statutory law does not require an authorization to be delivered by FOPH following the declaration. The packaging information requirements imposed by Tobacco Products Ordinance should be complied with.

If the presentation or the use of CBD products does not suggest or imply that they fall within the scope of application of rules related to food, cosmetics, utility items, tobacco substitutes or medicine, they may be considered as substances or preparations according to *Federal Act on Protection against Dangerous Substances and Preparations* (Chemicals Act). If theses products do not endanger life or health their commercialization does not require any authorisation.

Regulatory Framework in Malta

The Maltese Government introduced the possibility of the consumption of marijuana for medical purposes by amending the *Drug Dependence (Treatment not Imprisonment) Act* in March 2018 (the "**Drug Dependence Act**"). Through a highly regulated process, the amendment to the Drug Dependence Act enables a licensed medical practitioner to prescribe marijuana, in a non-smokable form, in cases where there are no viable alternatives to such a prescription. The prescription must be dispensed by a pharmacist in a licensed pharmacy.

In April 2018, Malta enacted the *Production of Cannabis for Medicinal and Research Purposes Act* (the "**Malta Act**"). The Malta Act sets out the licensing and approval process companies must comply with in order to legally cultivate, import, and process cannabis for medical or research purposes (the "**Malta Licensing Process**"). Pursuant to the Malta Act, the Minister of the Medicines Authority is the primary regulator of medical cannabis in Malta.

Malta Licensing Requirements

Persons intending to operate a cannabis facility must first obtain a letter of intent (the "**LOI**") from Malta Enterprise – the country's economic development agency. Once an LOI is issued, applicants are then required to submit an online form to the Malta Medicines Authority to initiate the GMP certification and licensing process.

The issuance of a license by the Medicines Authority is subject to several requirements, including: (i) the submission and evaluation of documents, including due-diligence documentation; (ii) the attainment of authorizations, approvals and clearances from other entities; and (iii) compliance with to-be prescribed terms and conditions, including conditions related to professional qualifications.

Any entity interested in the production of medical cannabis in Malta must also pay an application fee of €35,000 to acquire a manufacturing site license, with an annual renewal fee of the same amount. In addition to this amount, entities are required to pay €1 for every unit of cannabis product transacted.

Recreational Cannabis

Cannabis for recreational use remains an arrestable offence in Malta.

Regulatory Framework in South Africa

Cannabis Cultivation for Medicinal Purposes

SAHPRA is South Africa's drug regulatory authority and is governed by the Medicines and Related Substances Act, 1965 (the "**South Africa Medicines Act**"). The SAHPRA is responsible for regulating all medicines and medical devices in South Africa by ensuring that they meet standards of efficacy, safety and quality.

The South Africa Medicines Act, through the provisions of Section 21 or 22A allows for the acquisition, use, possession, manufacture or supply of cannabis for medicinal use by a medical practitioner, analyst, researcher or veterinarian for the treatment or prevention of a medical condition in a particular patient, or for the purposes of education, analysis or research, provided that a permit is obtained from the Director-General of Health. Access to medicines and Scheduled substances in South Africa is controlled through Scheduling of the substance.

South Africa is a signatory to the *United Nations Single Convention on Narcotic Drugs* (1961) (the "**Single Convention**"), which aims to combat drug abuse and trafficking through coordinated international cooperation directed at limiting the possession, use, trade, distribution, import, export, manufacture and production of narcotic drugs exclusively for medical and scientific purposes. The Single Convention therefore provides an international framework that recognises the medicinal value of narcotic drugs (including cannabis) and ensures that these are available for such purposes while preventing their abuse and diversion.

As a signatory to the Single Convention, South Africa is committed to comply with its obligations by controlling medicinal cannabis cultivation and reporting to the International Narcotics Drug Control Board (the "**INCB**") on volumes of production and manufacture. These obligations require South Africa to minimise the risk of diversion of cannabis and reserve its use for medical and scientific purposes only.

Under the South Africa Medicines Act, and in line with the Single Convention, cultivation, production, manufacture and use of medicinal cannabis products may only occur through a licence issued by the SAHPRA. These conditions allow the Government to limit quantities of cultivated and manufactured products based on quotas from the INCB, thus meeting a key obligation of preventing accumulation of cannabis material.

New Developments

In response to the September 18, 2018 ruling of the Constitutional Court of South Africa (the "**ConCourt**") in Minister of Justice and Constitutional Development and Others v Prince CCT 108/17 [2018] ZACC 30 (the "**2018 Decision**"), whereby the ConCourt declared that:

> (a) section 4(b) of the *Drugs and Drug Trafficking Act*, 1992 (the "**Drugs Act**") was unconstitutional and, therefore, invalid to the extent that it prohibits the use or possession of cannabis by an adult in private for that adult's personal consumption in private; (b) section 5(b) of the Drugs Act was constitutionally invalid to the extent that it prohibits the cultivation of cannabis by an adult in a private place for that adult's personal consumption in private; and (c) section 22A(9)(a)(i) of the South Africa Medicines Act was constitutionally invalid to the extent that it renders the use or possession of cannabis by an adult in private for that adult's personal consumption in private a criminal offence.

The Cannabis for Private Purposes Bill (the "**Bill**") was submitted to South Africa's Parliament in August 2020. This Bill gives effect to the ConCourt ruling and will among other things, legalize the possession and cultivation of cannabis by an adult for personal use in South Africa. The public consultation process for the

Bill closed on November 30, 2020. The Bill was tabled to be debated in the course of 2021 and is still currently making its way through the South African parliament.

Further details of the Bill include the following:

- Any use, possession or cultivation of cannabis which is not done by an adult in private remains an offence under the Drugs Act and therefore remains illegal in public.
- A single adult living alone may possess a maximum of 600 grams of cannabis, and for a household of two or more persons, 1.2 kilograms of cannabis for use or cultivation.
- Adults may provide to each other cannabis, cannabis plants, and cultivation materials between adult persons without an exchange of renumeration.

Scheduling Status: THC and CBD

On May 22, 2020, the Minister of Health amended certain Schedules of the South Africa Medicines Act as follows: (i) cannabis, dronabinol and THC in Schedule 7 have been deleted; (ii) CBD is listed in Schedule 4, except: (A) in complementary medicines containing no more than 600 mg of CBD per sales pack, providing a maximum daily dose of 20 mg of CBD, and making a general health enhancement, health maintenance or relief of minor symptoms (low-risk) claim; or (B) processed products made from cannabis raw plant material intended for ingestion containing 0.0075% or less of CBD where only the naturally occurring quantity of cannabinoids found in the source material are contained in the product; and (iii) THC is listed in Schedule 6 except: (A) in raw plant material and processed products manufactured from such material, intended for industrial purposes and not for human or animal ingestion, containing 0.2% or less of THC; (B) processed products made from cannabis containing 0.001% or less of THC; or (C) when raw plant material is cultivated, possessed, and consumed by an adult, in private for personal consumption.

Products that meet those listed conditions in (ii) are now regulated as Schedule 0. Schedule 4 medicines containing CBD that claim to treat, prevent or cure a disease, must be registered by SAHPRA, can only be bought at a pharmacy with a prescription from an authorized prescriber and are controlled as Schedule 4 substances. Schedule 0 medicines containing CBD that make general health claims, may be sold in any retail outlet, advertised to the public and may only be manufactured, imported or distributed by a complementary medicine establishment licensed by SAHPRA.

By removing cannabis and THC from Schedule 7, the possession of cannabis by an adult for personal cultivation and use in private is enabled. The requirement of a permit for the manufacture of a Schedule 6 product is in accordance with South Africa's obligations as a signatory to the Single Convention.

LEGALIZATION/PERMISSIBILITY OF CANNABIS IN INTERNATIONAL JURISDICTIONS

In 2014, a limited number of countries in the world, in addition to Canada, specifically, Israel, Czech Republic, Netherlands and Uruguay had established federally legal cannabis access regimes.

Since 2014, the actions of governments around the world have signaled a significant change in attitudes towards cannabis. To date, federal governments in a multitude of countries formally legalized medicinal cannabis access to either foster research into cannabis-based medical treatments and/or towards increasing legal access to medical cannabis for their citizens, including Argentina, Austria, Australia, Brazil, Denmark, Chile, Colombia, England, Germany, Greece, Israel, Italy, Jamaica, Lesotho, Mexico, Netherlands, Norway, Poland, Puerto Rico, South Africa, Switzerland and Turkey.

In addition, many other countries have established formal government efforts and/or trials to explore the

legalization of and commercialization of medicinal cannabis access, including Belgium, Ireland, France, Portugal, Spain, India, Malaysia, South Korea, and Thailand.

The forty-first meeting of the Expert Committee on Drug Dependence (the "**ECDD**") was held in Geneva, Switzerland, November 12-16, 2018. At that meeting, the ECDD undertook a critical review of whole-plant cannabis and cannabis extracts. The Director-General of the World Health Organization (the "**WHO**") sent a letter to the UN Secretary General on January 24, 2019, outlining its recommendations that included the recommendation that cannabis be removed from Schedule IV of the 1961 Convention on Narcotic Drugs (the "**Cannabis Scheduling Recommendations**"). The decision was subsequently postponed at the annual sessions of the UN's Commission on Narcotic Drugs (the "**UNODC**") held March 22 to 26, 2019 and March 2 to 6, 2020.

On December 2, 2020, at the UNODC's reconvened 63rd session, the UNODC acted on the WHO's recommendations and deleted cannabis and cannabis resin from Schedule IV of the Single Convention, the strictest drug category. These substances however remain in Schedule I of the Single Convention and thus remain subject to all levels of control of the Single Convention. While this decision has more symbolic implications then practical, this decision means that the United Nations recognizes the therapeutic values of cannabis, which in turn, should encourage further research into the therapeutic capabilities of cannabis.

RISKS AND UNCERTAINTIES

There are several risk factors that could cause future results to differ materially from those described herein. The risks and uncertainties described herein are not the only ones the Corporation faces. Additional risks and uncertainties, including those that the Corporation does not know about now or that it currently deems immaterial, may also adversely affect the Corporation's business. If any of the following risks occur, the Corporation's business may be harmed, and its financial condition and results of operations may suffer significantly.

Changes in Laws, Regulations and Guidelines Globally and in Canada

The business and activities of the Corporation are heavily regulated in all jurisdictions where it carries on business. Various laws, regulations and guidelines by governmental authorities govern the Corporation's business, including laws and regulations relating to the manufacturing, marketing, management, transportation, storage, sale and disposal of cannabis, as well as, health and safety, the conduct of operations and the protection of the environment. Laws and regulations, applied generally, grant government agencies and self-regulatory bodies broad administrative discretion over the activities of the Corporation, including the power to limit or restrict business activities as well as impose additional disclosure requirements on the Corporation's products and services.

In Canada, the Cannabis Act came into force on October 17, 2018, legalizing the sale of cannabis for adult recreational use. Prior to the Cannabis Act coming into force, only the sale of medical cannabis was legal. Further, on October 17, 2019, the Regulations Amending the Cannabis Regulations came into force, adding three new authorized classes of cannabis for sale: cannabis edibles, cannabis extracts and cannabis topicals. The legislative framework pertaining to the Canadian adult-use cannabis market is subject to significant provincial and territorial regulation. The legal framework varies across provinces and territories and results in asymmetric regulatory and market environments. Different competitive pressures, additional compliance requirements, and other costs may limit the Corporation's ability to participate in such markets.

As the laws, regulations and guidelines pertaining to the cannabis industry are relatively new, it is possible that significant legislative amendments may still be enacted that address current or future regulatory issues or

perceived inadequacies in the regulatory framework. Changes to such laws, regulations or guidelines may be difficult to interpret and apply and could negatively affect the Corporation's competitive position within the cannabis industry and the markets in which the Corporation operates. Moreover, there is no assurance that various levels of government in the jurisdictions in which the Corporation operates will not pass legislation or regulations that adversely impacts its business.

Licensing Risk

Government licenses are currently, and in the future may be, required in connection with the Corporation's operations, in addition to other unknown permits and approvals which may be required. To the extent such licences are required and not obtained, the Corporation may be prevented from operating and/or expanding its business globally, which could have a material adverse effect on the Corporation's business, financial condition, and results of operations.

The Corporation is dependent upon the Canveda Licence for its ability to cultivate, process, package, store and sell dried cannabis and cannabis extracts, for medical and recreational purposes in Canada. Any adverse changes or developments affecting the Canveda Licence may impact the Corporation's business, financial condition, and results of operations.

The Canveda Licence is subject to ongoing compliance, reporting requirements and renewal. Although the Corporation believes it will meet the requirements of the Cannabis Act and Cannabis Regulations for future renewals of the Canveda Licence, there can be no guarantee that Health Canada will renew the Canveda Licence or, if renewed, that it will be renewed on the same or similar terms or that Health Canada will not revoke the Canveda Licence. Should the Corporation fail to comply with the requirements of the Canveda Licence or should Health Canada not renew the Canveda Licence when required or renew the Canveda Licence on different terms or revoke the Canveda Licence, there would be a material adverse effect on the Corporation's business, financial condition and results of operations in Canada.

Further, the Corporation is subject to ongoing inspections, by Health Canada in relation to the Canveda Licence, to monitor its compliance with licensing requirements. The Corporation's existing licence and any new licences that it may obtain in the future in Canada or other jurisdictions may be revoked or restricted at any time in the event that such licence holders are found not to be in compliance with applicable law. Should the Corporation fail to comply with the applicable regulatory requirements or with conditions set out under the licences, should the licences not be renewed when required, or be renewed on different terms, or should the licences be revoked, the Corporation may not be able to continue producing or distributing cannabis in Canada or other jurisdictions.

In addition, the Corporation may be subject to enforcement proceedings resulting from a failure to comply with applicable regulatory requirements in Canada or other jurisdictions, which could result in damage awards, a suspension of existing approvals, a withdrawal of existing approvals, the denial of the renewal of existing approvals or any future approvals, recalls of products, product seizures, the imposition of future operating restrictions on the business or operations or the imposition of civil or criminal fines or penalties against the Corporation, its officers and directors and other parties. These enforcement actions could delay or entirely prevent the Corporation from continuing the production, testing, marketing, sale, or distribution of its products and divert management's attention and resources away from its business operations.

COVID-19 Pandemic

An outbreak of infectious disease, a pandemic or a similar public health threat, such as the outbreak of the novel coronavirus ("**COVID-19**"), could materially and adversely impact the Corporation by causing

operating, manufacturing, supply chain, and project development delays and disruptions, labour shortages, travel and shipping disruptions and shutdowns (including as a result of government regulation and prevention measures).

On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 a global pandemic. In response to the outbreak, governmental authorities in Canada and internationally have introduced various recommendations and measures to try to limit the pandemic, including travel restrictions, border closures, nonessential business closures, quarantines, self-isolations, shelters-in-place, and social distancing. Although the Corporation has taken steps to mitigate the impact of COVID-19, the Corporation cautions that its business could be materially and adversely affected by the risks, or the public perception of the risks, related to COVID-19.

The ultimate extent of the impact of any epidemic, pandemic or other health crisis on the Corporation's business, financial condition and results of operations will depend on future developments, which are highly uncertain and cannot be predicted. These and other potential impacts of an epidemic, pandemic or other health crisis, such as COVID-19, could therefore materially and adversely affect the Corporation's business, financial condition, growth strategies and results of operations.

Through the first quarter of the year 2022 as well as the fourth quarter of the year 2022, the pandemic of COVID-19 remains volatile and continues to evolve. As such, it largely remains unpredictable the extent and duration of the impact of COVID-19 on the Corporation's business operations. The Corporation will continue to consider guidance from local governments globally and assess operations and market health. With the pandemic persisting – there may be continued impact to the Corporation's business operations over the next fiscal year.

The specific impacts related to the pandemic relate primarily to decreased foot traffic in retail stores which led to unpredictable ordering patterns from provincial boards and individual stores, pedant on the specific jurisdiction. Not only was ordering somewhat volatile, but the planning for inventory also proved challenging given these impacts on our suppliers. It is the Corporation's belief that the pandemic may continue to impact retail growth until the situation becomes more stabilized over the coming 12-24 months.

Access to Capital

MPXI will have limited capital resources and operations and may require substantial additional capital in the near future to continue operations and activities. Since the latter part of February 2020, financial markets have experienced significant volatility in response to COVID-19 and equity markets in particular have experienced significant declines. The continued spread of COVID-19 nationally and globally may impact the Corporation's ability to obtain additional financing on terms acceptable to it, or at all. If MPXI fails to raise additional capital (other than with respect to the second tranche of the Offering), as needed, its ability to implement its business model and strategy could be compromised.

Even if MPXI obtains financing for its near-term operations, MPXI expects that it will require additional capital thereafter. MPXI capital needs will depend on numerous factors including: (i) MPXI's profitability; (ii) the release of competitive products by its competition; (iii) the level of its investment in research and development; and (iv) the amount of its capital expenditures, including acquisitions.

If MPXI looks to obtaining foreign investments, certain jurisdictions may impose certain prohibitions and restrictions that prevent its citizens from investing in companies in the cannabis industry, even if such companies limit their business in jurisdictions where the commercialization, use, possession and cultivation of cannabis has been legalized.

Permits and Authorizations

MPXI may not obtain the necessary permits and authorizations to operate the business.

Its operations in Canada, Switzerland, South Africa, Malta and Thailand may not be able to obtain or maintain the necessary licenses, permits, authorizations, or accreditations, or may only be able to do so at great cost, to operate its cannabis business. In addition, it may not be able to comply fully with the wide variety of laws and regulations applicable to the cannabis industry. Failure to comply with or to obtain or maintain the necessary permits, authorizations or accreditations, may prevent the Corporation from operating and/or expanding its business globally, which could have a material adverse effect on the Corporation's business, financial condition and results of operations.

Expansion into Foreign Jurisdictions

The Corporation 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.

The Corporation relies on the advice of local professionals and experts in connection with current and new cannabis regulations as well as in respect of banking, financing, labour, litigation, tax and public health matters in these jurisdictions. Any changes in such legal, regulatory or governmental requirements are beyond the Corporation's control.

If countries in which the Corporation operates and expands into experience high levels of inflation, the Corporation may not be able to adjust its rates charged to customers to offset the impact of inflation

These factors may limit the Corporation's ability to successfully expand its operations into such jurisdictions and may have a material adverse effect on the Corporation's business, financial condition and results of operations. In addition, in jurisdictions outside of Canada, there can be no assurance that any market for the Corporation's products will develop.

Risk of Litigation

The Corporation may become a party to regulatory proceedings, litigation, mediation, and/or arbitration from time to time in the ordinary course of business, which could adversely affect its business. Monitoring and defending against legal actions, whether meritorious or not, can be time-consuming, divert management's attention and resources and cause it to incur significant expenses. In addition, legal fees and costs incurred in connection with such activities may be significant and the Corporation could, in the future, be subject to judgments or enter into settlements of claims for significant monetary damages. While the Corporation has insurance that may cover the costs and awards of certain types of litigation, the amount of insurance may not be sufficient to cover any costs or awards. Substantial litigation costs or an adverse result in any litigation may adversely impact the Corporation's business, operating results or financial condition. Litigation may also create a negative perception of the Corporation. Any decision resulting from any such litigation could have a materially adverse impact on the Corporation's business.

Product Liability

As a distributor of products designed to be ingested by humans, the Corporation faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused

significant loss or injury. In addition, the sale of the Corporation's products involves the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of the Corporation's products alone or in combination with other medications or substances could occur. The Corporation may be subject to various product liability claims, including, among others, that the Corporation's products caused injury or illness or that the Corporation's products include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances.

A product liability claim or regulatory action against the Corporation could result in increased costs, could adversely affect the Corporation's reputation with its clients and consumers generally, and could have a material adverse effect on its results of operations and financial condition of the Corporation. Although the Corporation has secured product liability insurance, and strictly enforces a quality standard within its operations, there can be no assurances that the Corporation will be able to maintain its product liability insurance on acceptable terms or with adequate coverage against potential liabilities. This scenario could prevent or inhibit the commercialization of the Corporation's potential products. To date, there have been no product related issues.

Wholesale Price Volatility

The cannabis industry is a margin-based business in which gross profits depend on the excess of sales prices over costs. Consequently, profitability is sensitive to fluctuations in wholesale and retail prices caused by changes in supply (which itself depends on other factors such as weather, fuel, equipment and labour costs, shipping costs, economic situation, government regulations and demand), taxes, government programs and policies for the cannabis industry (including price controls and wholesale price restrictions that may be imposed by government agencies responsible for the sale of cannabis), and other market conditions, all of which are factors beyond the control of the Corporation. The Corporation's operating income may be significantly and adversely affected by a decline in the price of cannabis and will be sensitive to changes in the price of cannabis and the overall condition of the cannabis industry, as the Corporation's profitability is directly related to the price of cannabis. The price of cannabis is affected by numerous factors beyond the Corporation's control. Any price decline may have a material adverse effect on the Corporation's business, financial condition and results of operations.

Market Price and Volatility of MPXI Shares

Securities of micro-cap and small-cap companies, like MPXI, have experienced substantial price and volume volatility over the past few years and the market price of securities of many companies has experienced wide fluctuations which, in many cases, have not necessarily been related to the performance, underlying asset values or prospects of such companies and may result in a loss for investors. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. Other factors unrelated to the Corporation's performance that may have an effect on the price of the MPXI Shares include the following: (i) the extent of analytical coverage available to investors concerning the Corporation's business may be limited if investment banks with research capabilities do not follow the Corporation's securities; (ii) lessening in trading volume and general market interest in the Corporation's securities may affect an investor's ability to trade significant amounts of MPXI Shares; (iii) the size of the Corporation's public float may limit the ability of some institutions to invest in the Corporation's securities; (iv) a recession or market correction resulting from the spread of COVID-19; and (v) a substantial decline in the price of the MPXI Shares that persists for a significant period of time could cause the Corporation's securities to be delisted from an exchange, further reducing market liquidity.

In addition, the value of the MPXI Shares is subject to the ability of MPXI to build equity in the enterprise. If

insufficient proceeds are raised and alternative financing is not available, the completion of MPXI's business plan may not be fulfilled. There can be no assurance that a profitable business will be achieved by MPXI.

As a result of any of these factors, the market price of the MPXI Shares at any given point in time may not accurately reflect the Corporation's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Corporation may in the future be the target of similar litigation. Such litigation, if instituted, could result in substantial costs and diversion of management attention and resources, which could significantly harm the Corporation's business, condition, prospects and reputation.

Reliance on Management

Decisions regarding the management of the Corporation's affairs will be made exclusively by the officers and directors of the Corporation and not by the holders of the MPXI Shares. Accordingly, investors must carefully evaluate the personal experience and business performance of the officers and directors of the Corporation. The Corporation may retain independent contractors to provide services to the Corporation. Generally, these contractors have no fiduciary duty to the holders of the MPXI Shares or the Corporation.

Difficulty in Recruiting and Retaining Management and Key Personnel

MPXI's future success depends on its key executive officers and the Corporation's ability to attract, retain, and motivate qualified personnel.

MPXI's future success largely depends upon the continued services of its executive officers and management team. If one or more of its executive officers are unable or unwilling to continue in their present positions, MPXI may not be able to replace them readily, if at all. Additionally, MPXI may incur additional expenses to recruit and retain new executive officers. If any of its executive officers join a competitor or forms a competing corporation, MPXI may lose some or all of its customers. Finally, the Corporation does not maintain "key person" life insurance on any of its executive officers. Because of these factors, the loss of the services of any of these key persons could adversely affect its business, financial condition, and results of operations, and thereby an investment in the MPXI Shares.

In addition, COVID-19 imposes a high risk to all the Corporation's activities, including the potential that an executive team member may become ill and the Corporation's ability to continue to rely on its key personnel throughout the pandemic. The Corporation has been diligently monitoring developments relating to COVID-19 and its impact on the Corporation's personnel.

MPXI's continuing ability to attract and retain highly qualified personnel will also be critical to its success because MPXI will need to hire and retain additional personnel as its business grows. There can be no assurance that MPXI will be able to attract or retain highly qualified personnel. The Corporation faces significant competition for skilled personnel in the industries it participates in. This competition may make it more difficult and expensive to attract, hire, and retain qualified managers and employees. Because of these factors, MPXI may not be able to effectively manage or grow its business, which could adversely affect its financial condition or business. As a result, the value of your investment could be significantly reduced or completely lost.

Managing Growth

MPXI may not be able to effectively manage its growth or improve its operational, financial, and management information systems, which would impair its results of operations.

In the near term, the Corporation intends to expand the scope of its operations activities significantly. If the Corporation is successful in executing its business plan, it will experience growth in its business that could place a significant strain on its business operations, finances, management, and other resources. The factors that may place strain on its resources include, but are not limited to, the following:

(i) the need for continued development of its financial and information management systems;

(ii) the need to manage strategic relationships and agreements with manufacturers, customers, and partners; and

(iii) difficulties in hiring and retaining skilled management, technical, and other personnel necessary to support and manage its business.

Additionally, MPXI's strategy envisions a period of rapid growth that may impose a significant burden on its administrative and operational resources. MPXI's ability to effectively manage growth will require the Corporation to substantially expand the capabilities of its administrative and operational resources and to attract, train, manage, and retain qualified management and other personnel. There can be no assurance that MPXI will be successful in recruiting and retaining new employees or retaining existing employees.

MPXI cannot provide assurances that its management will be able to manage this growth effectively. MPXI's failure to successfully manage growth could result in its sales not increasing commensurately with capital investments or otherwise materially adversely affecting its business, financial condition, or results of operations.

Canveda Facility

The Canveda Licence is specific to the Canveda Facility. Adverse changes or developments affecting the Canveda Facility, including but not limited to a *force majeure* event or a breach of security, could have a material adverse effect on the Corporation's business, financial condition and prospects. Any breach of the security measures and other facility requirements, including any failure to comply with recommendations or requirements arising from inspections by Health Canada, could also have an impact on the Corporation's ability to continue operating under the Canveda Licence or the prospect of renewing the Canveda Licence or could result in a revocation of the Canveda Licence.

Construction Risk Factors

The availability and performance of engineering and construction contractors, suppliers and consultants, and the receipt of required governmental approvals and permits in connection with the construction/expansion of the Corporation's facilities in Canada, Switzerland, South Africa, Malta and Thailand is not guaranteed**.** Any delay in the performance of any one or more of the contractors, suppliers, consultants or other persons on which the Corporation is dependent in connection with its construction activities, a delay in or failure to receive the required governmental approvals and permits in a timely manner or on reasonable terms, or a delay in or failure in connection with the completion and successful operation of the operational elements in connection with construction could delay or prevent the facilities being constructed in Canada, Switzerland, South Africa, Malta and Thailand as planned. There can be no assurance that current or future construction

plans implemented by the Corporation will be successfully completed on time, within budget and without design defect; that available personnel and equipment will be available in a timely manner or on reasonable terms to successfully complete construction projects; that the Corporation will be able to obtain all necessary governmental approvals and permits; or that the completion of the construction, the start-up costs and the ongoing operating costs will not be significantly higher than anticipated by the Corporation. Any of the foregoing factors could adversely impact the operations and financial condition of the Corporation.

Intellectual Property

If MPXI fails to protect its intellectual property, its business could be adversely affected.

MPXI's viability will depend, in part, on its ability to develop and maintain the proprietary aspects of its technology to distinguish its products from its competitors' products. MPXI relies on copyrights, trademarks, trade secrets, and confidentiality provisions to establish and protect its intellectual property.

Any infringement or misappropriation of its intellectual property could damage its value and limit its ability to compete.

Competitors may also harm the Corporation's sales by designing products that mirror the capabilities of its products or technology without infringing on its intellectual property rights. If the Corporation does not obtain sufficient protection for its intellectual property, or if it is unable to effectively enforce its intellectual property rights, its competitiveness could be impaired, which would limit its growth and future revenue.

MPXI may also find it necessary to bring infringement or other actions against third parties to seek to protect its intellectual property rights. Litigation of this nature, even if successful, is often expensive and time-consuming to prosecute and there can be no assurance that MPXI will have the financial or other resources to enforce its rights or be able to enforce its rights or prevent other parties from developing similar technology or designing around its intellectual property.

Although MPXI believes that its technology does not and will not infringe upon the patents or violate the proprietary rights of others, it is possible such infringement or violation has occurred or may occur, which could have a material adverse effect on its business.

MPXI is not aware of any infringement by it of any person's or entity's intellectual property rights. If products MPXI sells are deemed to infringe upon the patents or proprietary rights of others, MPXI could be required to modify its products or obtain a license for the manufacture and/or sale of such products or cease selling such products. In such event, there can be no assurance that MPXI would be able to do so in a timely manner, upon acceptable terms and conditions, or at all, and the failure to do any of the foregoing could have a material adverse effect upon its business.

There can be no assurance that MPXI will have the financial or other resources necessary to enforce or defend a patent infringement or proprietary rights violation action. If its products or proposed products are deemed to infringe or likely to infringe upon the patents or proprietary rights of others, MPXI could be subject to injunctive relief and, under certain circumstances, become liable for damages, which could also have a material adverse effect on its business and its financial condition.

Trade Secrets

MPXI's trade secrets may be difficult to protect. MPXI's success depends upon the skills, knowledge, and experience of its scientific and technical personnel, its consultants and advisors, as well as its licensors and

contractors. Because the Corporation operates in several highly competitive industries, it relies in part on trade secrets to protect its proprietary technology and processes. However, trade secrets are difficult to protect. MPXI enters into confidentiality or non-disclosure agreements with its corporate partners, employees, consultants, outside scientific collaborators, developers, and other advisors. These agreements generally require that the receiving party keep confidential and not disclose to third party's confidential information developed by the receiving party or made known to the receiving party by the Corporation during the course of the receiving party's relationship with it. These agreements also generally provide that inventions conceived by the receiving party in the course of rendering services to the Corporation will be its exclusive property, and the Corporation enters into assignment agreements to perfect its rights.

These confidentiality, inventions, and assignment agreements may be breached and may not effectively assign intellectual property rights to MPXI. MPXI's trade secrets also could be independently discovered by competitors, in which case it would not be able to prevent the use of such trade secrets by its competitors. The enforcement of a claim alleging that a party illegally obtained and was using its trade secrets could be difficult, expensive, and time consuming and the outcome would be unpredictable. The failure to obtain or maintain meaningful trade secret protection could adversely affect the Corporation's competitive position.

Inability to Innovate and Find Efficiencies

If the Corporation is unable to continually innovate and increase efficiencies, its ability to attract new customers may be adversely affected.

In the area of innovation, MPXI must be able to develop new technologies and products that appeal to its customers. This depends, in part, on the technological and creative skills of its personnel and on its ability to protect its intellectual property rights. MPXI may not be successful in the development, introduction, marketing, and sourcing of new technologies or innovations, that satisfy customer needs, achieve market acceptance, or generate satisfactory financial returns.

Complying concurrently with federal, state, or provincial, and local laws in each jurisdiction the Corporation operates

As the Corporation's activities are global, it must comply with complex federal, provincial, or state and local laws in the jurisdictions in which it operates or proposes to operate in. Compliance with these laws and regulations requires the investment of significant financial and managerial resources, and a determination that the Corporation is not in compliance with these laws and regulations could harm its brand image and business. Moreover, it is impossible for the Corporation to predict the cost or effect of such laws, regulations, or guidelines upon its future operations.

Anti-money laundering laws and regulations

The Corporation is subject to a variety of laws and regulations in Canada and elsewhere that involve money laundering, financial recordkeeping and proceeds of crime, including the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)*, as amended and the rules and regulations thereunder, the *Criminal Code (Canada)* and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in Canada or any other jurisdiction in which the Corporation has business operations or to which it exports.

In the event that any of the Corporation's operations or investments, any proceeds thereof, any dividends or distributions therefrom, or any profits or revenues accruing from such operations or investments were found to be in violation of money laundering legislation, such transactions may be viewed as proceeds of crime

under one or more of the statutes noted above or any other applicable legislation, and any persons found to be aiding and abetting MPXI in such violations could be subject to liability. Furthermore, this could disrupt the Corporation's operations, require significant management distraction, involve substantial costs and expenses, including legal fees, and restrict or otherwise jeopardize the Corporation's ability to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada.

While the Corporation has no current intention to declare or pay dividends in the foreseeable future, in the event that a determination was made that proceeds obtained by the Corporation could reasonably be shown to constitute proceeds of crime, the Corporation may decide or be required to suspend declaring or paying dividends without advance notice and for an indefinite period of time.

Operational Risk

The Corporation will be affected by several operational risks and the Corporation may not be adequately insured for certain risks, including: labour disputes; catastrophic accidents; fires; blockades or other acts of social activism; changes in the regulatory environment; impact of non-compliance with laws and regulations; and natural phenomena, such as inclement weather conditions, floods, earthquakes and ground movements. There is no assurance that the foregoing risks and hazards will not cause or result in damage to, or destruction of, the Corporation's properties, grow facilities and extraction facilities, personal injury or death, environmental damage, adverse impacts on the Corporation's operation, costs, monetary losses, potential legal liability and adverse governmental action, any of which could have an adverse impact on the Corporation's future cash flows, earnings and financial condition. Also, the Corporation may be subject to or affected by liability or sustain loss for certain risks and hazards against which the Corporation cannot insure or which the Corporation may elect not to insure because of the cost. This lack of insurance coverage could have an adverse impact on the Corporation's future cash flows, earnings, results of operations and financial condition.

There are factors which may prevent the Corporation from the realization of growth targets

The Corporation's growth strategy contemplates the successful construction of the facilities in Canada, Switzerland, South Africa, Malta, and Thailand. There is a risk that these targets will not be achieved on time, on budget, or at all, as they can be adversely affected by a variety of factors, including some that are discussed elsewhere in these "Risk Factors" and the following:

(i) delays in obtaining, or conditions imposed by, regulatory approvals;

(ii) facility design errors;

(iii) environmental pollution;

(iv) non-performance by third party contractors;

(v) increases in materials or labour costs;

(vi) construction performance falling below expected levels of output or efficiency;

(vii) breakdown, aging or failure of equipment or processes;

(viii) contractor or operator errors;

(ix) operational inefficiencies;

(x) labour disputes, disruptions or declines in productivity;

(xi) inability to attract enough qualified workers;

(xii) disruption in the supply of energy and utilities; and

(xiii) major incidents and/or catastrophic events such as fires, explosions, storms, or physical attacks.

Reliance on third-party suppliers, manufacturers, and contractors; Reliance on Key Inputs

The Corporation's business is dependent on several key inputs from third parties and their related costs including raw materials and supplies related to its cultivation and production operations, as well as electricity, water and other local utilities. Some of these inputs may only be available from a single supplier or a limited group of suppliers in the future. If the Corporation becomes reliant upon a sole source supplier and it was to go out of business or suspend services, the Corporation might be unable to find a replacement for such source in a timely manner or at all. Similarly, if any future sole source supplier were to be acquired by a competitor, that competitor may elect not to sell to the Corporation in the future. Additionally, any supplier could at any time suspend or withdraw services. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the Corporation's business, financial condition and operating results.

Contracts with Provincial Governments

The Corporation expects to derive a significant portion of its future revenues from its supply contracts with the various Canadian provinces. There are many factors which could impact the Corporation's contractual agreements with the provinces, including but not limited to availability of supply, product selection and the popularity of the Corporation's products with retail customers. If the Corporation's supply agreements with certain Canadian provinces are amended, terminated or otherwise altered, the Corporation's sales and results of operations could be adversely affected, which could have a material adverse effect on the Corporation's business, financial condition, results of operations and prospects.

In addition, not all of the Corporation's supply contracts with Canadian provincial wholesalers contain purchase commitments or otherwise obligate the provincial wholesaler to buy a minimum or fixed volume of cannabis products from the Corporation. The amount of cannabis that the provincial wholesalers may purchase under the supply contracts may therefore vary from what the Corporation expects or planned for. As a result, the Corporation's revenues could fluctuate materially in the future and could be materially and disproportionately impacted by the purchasing decisions of the provincial wholesalers. If any of the provincial wholesalers decide to purchase lower volumes of products from the Corporation than MPXI expects, requires, imposes or expects a reduction on the price at which the product may be purchased, alters its purchasing patterns at any time with limited notice or decides not to continue to purchase the Corporation's cannabis products at all, the Corporation's revenues could be materially adversely affected, which could have a material adverse effect on the Corporation's business, financial condition, results of operations and prospects.

Unreliability of Forecasts

Any forecasts the Corporation makes about its operations may prove to be inaccurate. MPXI must, among other things, determine appropriate risks, rewards, and level of investment in its product lines, respond to economic and market variables outside of its control, respond to competitive developments and continue to

attract, retain, and motivate qualified employees. There can be no assurance that MPXI will be successful in meeting these challenges and addressing such risks and the failure to do so could have a materially adverse effect on its business, results of operations, and financial condition. MPXI's prospects must be considered in light of the risks, expenses, and difficulties frequently encountered by companies in the early stage of development. As a result of these risks, challenges, and uncertainties, the value of your investment could be significantly reduced or completely lost.

Consumer Acceptance of Cannabis

MPXI is dependent on the popularity of consumer acceptance of the Corporation's product lines.

MPXI's ability to generate revenue and be successful in the implementation of the Corporation's business plan is dependent on consumer acceptance and demand of the Corporation's cannabis product lines. Acceptance of the Corporation's products will depend on several factors, including availability, cost, ease of use, familiarity of use, convenience, effectiveness, safety, and reliability. If customers do not accept the Corporation's products, or if MPXI fails to meet the needs and expectations of customers adequately, its ability to continue generating revenues could be reduced.

A drop in the retail price of cannabis products may negatively impact the business.

The demand for the Corporation's products depends in part on the price of commercially grown cannabis. Fluctuations in economic and market conditions that impact the prices of commercially-grown cannabis, such as increases in the supply of such cannabis and the decrease in the price of products using commercially-grown cannabis, could cause the demand for cannabis products to decline, which would have a negative impact on its business.

Strategic Relationships

The Corporation may seek to enter into strategic alliances, or expand the scope of currently existing relationships, with third parties that the Corporation believes will have a beneficial impact, and there are risks that such strategic alliances or expansions of the Corporations currently existing relationships may not enhance its business in the desired manner.

The Corporation currently has, and may expand the scope of, and may in the future enter into, strategic alliances with third parties that the Corporation believes will complement or augment its existing business. The Corporation's ability to complete further such strategic alliances is dependent upon, and may be limited by, among other things, the availability of suitable candidates and capital. In addition, strategic alliances could present unforeseen integration obstacles or costs, may not enhance the Corporation's business and may involve risks that could adversely affect it, including the investment of significant amounts of management time that may be diverted from operations in order to pursue and complete such transactions or maintain such strategic alliances. Future strategic alliances could result in the incurrence of debt, costs and contingent liabilities, and there can be no assurance that future strategic alliances will achieve, or that its existing strategic alliances will continue to achieve, the expected benefits to its business or that the Corporation will be able to consummate future strategic alliances on satisfactory terms, or at all.

There may be restrictions on the type and form of marketing the Corporation can undertake which could materially impact sales performance

The development of the Corporation's future business and operating results in Canada may be hindered by applicable restrictions on sales and marketing activities imposed by Health Canada. The regulatory

environment in Canada limits the Corporation's ability to compete for market share in a manner similar to other industries. If the Corporation is unable to effectively market its products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for its products, the Corporation's sales and operating results could be adversely affected.

Global Economic Conditions

Recent global financial conditions have been characterized by increased volatility and access to public financing. These conditions may affect the Corporation's ability to obtain equity or debt financing in the future on terms favourable to the Corporation or at all. If such conditions continue, the Corporation's operations could be negatively impacted.

The commercial adult-use and medical cannabis industry and market are relatively new in Canada and this industry and market may not continue to exist or grow as anticipated or the Corporation may be ultimately unable to succeed in this new industry and market

As a Licence Holder, the Corporation is operating its business in a relatively new industry and market. In addition to being subject to general business risks, the Corporation must continue to build brand awareness in this industry and market through significant investments in its strategy, its production capacity, quality assurance and compliance with regulations. In addition, there is no assurance that the industry and market will continue to exist and grow as currently estimated or anticipated or function and evolve in the manner consistent with management's expectations and assumptions. Any event or circumstance that adversely affects the cannabis industry and market could have a material adverse effect on the Corporation's business, financial conditions, and results of operations.

As a result of the Cannabis Act, individuals who currently rely upon the medical cannabis market to supply their medical cannabis and cannabis-based products may cease this reliance, and instead turn to the adult-use cannabis market to supply their cannabis and cannabis-based products. Factors that will influence this decision include the price of medical cannabis products in relation to similar adult-use cannabis products, the amount of active ingredients in medical cannabis products in relation to similar adult-use cannabis products, the types of cannabis products available to adult-users and limitations on access to adult-use cannabis products imposed by the regulations under the Cannabis Act and the legislation governing distribution of cannabis enacted from time to time by the individual provinces and territories of Canada.

The size of the Corporation's target market is difficult to quantify, and investors will be reliant on their own estimates of the accuracy of market data

Since the cannabis industry is in a nascent stage with uncertain boundaries, there is a lack of information about comparable companies available for potential investors to review in deciding about whether to invest in the Corporation and, few, if any, established companies whose business model the Corporation can follow or upon whose success the Corporation can build. Accordingly, investors will have to rely on their own estimates in deciding about whether to invest in the Corporation. There can be no assurance that the Corporation's estimates are accurate or that the market size is sufficiently large for its business to grow as projected, which may negatively impact its financial results.

The Corporation's industry is experiencing rapid growth and consolidation that may cause the Corporation to lose key relationships and intensify competition

The cannabis industry is undergoing rapid growth and substantial change, which has resulted in an increase in competitors, consolidation, and formation of strategic relationships. Acquisitions or other consolidating

transactions could harm the Corporation in several ways, including by losing strategic partners if they are acquired by or enter into relationships with a competitor, losing customers, revenue and market share, or forcing the Corporation to expend greater resources to meet new or additional competitive threats, all of which could harm the Corporation's operating results. As competitors enter the market and become increasingly sophisticated, competition in the Corporation's industry may intensify and place downward pressure on retail prices for its products and services, which could negatively impact its profitability.

The cultivation of cannabis involves a reliance on third party transportation which could result in supply delays, reliability of delivery and other related risks

For customers of the Corporation to receive their product, the Corporation will rely on third party transportation services. This can cause logistical problems with and delays in patients obtaining their orders and cannot be directly controlled by the Corporation. Any delay by third party transportation services may adversely affect the Corporation's financial performance.

Moreover, security of the product during transportation to and from the Corporation's facilities is critical due to the nature of the product. A breach of security during transport could have material adverse effects on the Corporation's business, financials and prospects. Any such breach could impact the Corporation's future ability to continue operating under its licenses or the prospect of renewing its licenses.

No Guaranteed Return

There is no guarantee that an investment in the MPXI Shares will earn any positive return in the short, medium, or long term. There is no assurance that holders of the MPXI Shares will receive cash distributions or any rate of return on, or repayment of, their investment in the MPXI Shares. In fact, an investor could lose its entire investment in the MPXI Shares.

Revenue Shortfalls

Revenue shortfalls from budget may result from lower-than-expected sales volume, sale price and/or inventory due to inadequate marketing or lower than expected market stimulation. Average sales prices may be less than budgeted due to aggressive competitor pricing below the Corporation's prices.

Internal Controls

The failure to implement and maintain proper and effective internal controls and disclosure controls could result in material weaknesses in financial reporting, such as errors in financial statements and in the accompanying footnote disclosures that could require restatements. Investors may lose confidence in the Corporation's reported financial information and disclosure, which could negatively impact its share price.

The Corporation does not expect that its internal controls over financial reporting will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. Over time, controls may become inadequate because changes in conditions or deterioration in the degree of compliance with policies or procedures may occur. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Insurance Coverage

MPXI's insurance coverage may not be adequate to cover all significant risk exposures. MPXI will be exposed to liabilities that are unique to the products it provides. While MPXI intends to maintain insurance for certain risks, the amount of its insurance coverage may not be adequate to cover all claims or liabilities, and it may be forced to bear substantial costs resulting from risks and uncertainties of its business. It is also not possible to obtain insurance to protect against all operational risks and liabilities. The failure to obtain adequate insurance coverage on terms favorable to us, or at all, could have a material adverse effect on its business, financial condition, and results of operations. Apart from Canveda, MPXI does not have any business interruption insurance. Any business disruption or natural disaster could result in substantial costs and diversion of resources.

Competition for market share with other companies, including other Licence Holders, some of which have longer operating histories and more financial resources and manufacturing and marketing experience.

The Corporation faces intense and increasing competition from other Licence Holders and other potential competitors, some of which have longer operating histories and more financial resources and manufacturing and marketing experience than the Corporation that may enable them to compete more effectively. As well, MPXI's competitors may devote their resources to developing and marketing products that will directly compete with its product lines. Due to this competition, there is no assurance that the Corporation will not encounter difficulties in obtaining revenues and market share or in the positioning of its products. There are no assurances that competition in its respective industries will not lead to reduced prices for its products. If the Corporation is unable to successfully compete with existing companies and new entrants to the market this will have a negative impact on its business and financial condition.

In addition, it is possible that the medical cannabis industry will undergo consolidation, creating larger companies with greater financial resources, manufacturing and marketing capabilities and product offerings. As a result of this competition, the Corporation may be unable to maintain its operations or develop them as currently proposed, on terms it considers acceptable, or at all.

Applications for cultivation, processing and/or sales licences are still being accepted and processed by Health Canada. The number of licences granted, and the number of Licence Holders ultimately authorized by Health Canada could have an adverse impact on the Corporation's ability to compete for market share in Canada's cannabis industry. MPXI expects to face additional competition from new market entrants that are granted licences under the Cannabis Act, or existing Licence Holders that are not yet active in the industry. If a significant number of new licences are granted by Health Canada, MPXI may experience increased competition for market share and may experience downward price pressure on its cannabis products as new entrants increase production.

MPXI also faces competition from unlicensed and unregulated market participants, including individuals or groups that can produce cannabis without a license similar to that under which it currently produces and illegal dispensaries and black-market participants selling cannabis and cannabis-based products in Canada. These competitors may be able to offer products with higher concentrations of active ingredients than the Corporation is authorized to produce. The competition presented by these participants, and any unwillingness by consumers currently utilizing these unlicensed distribution channels to begin purchasing from Licence Holders for any reason, or any inability of law enforcement authorities to enforce existing laws prohibiting the unlicensed cultivation and sale of cannabis and cannabis-based products, could adversely affect its market share, result in increased competition through the black market for cannabis or have an adverse impact on the public perception of cannabis use and Licence Holders.

In addition, the Cannabis Regulations permits patients in Canada to produce a limited amount of cannabis for their own purposes or to designate a person to produce a limited amount of cannabis on their behalf for such purposes (if authorized to do so). Widespread reliance upon this allowance could reduce the current or future consumer demand for its medical cannabis products.

If the number of users of cannabis for medical purposes in Canada increases, the demand for products will increase. This could result in the competition in the medical cannabis industry becoming more intense as current and future competitors begin to offer an increasing number of diversified medical cannabis products. Conversely, if there is a contraction in the medical market for cannabis in Canada, resulting from the legalization of adult-use cannabis or otherwise, competition for market share may increase. To remain competitive, MPXI intends to continue to invest in research and development and sales and patient support; however, it may not have sufficient resources to maintain research and development and sales and patient support efforts on a competitive basis.

In addition to the foregoing, the legal landscape for medical cannabis use is changing internationally. MPXI has operations outside of Canada, which may be affected as other countries develop, adopt and change their cannabis laws. Increased international competition, including competition from suppliers in other countries who may be able to produce at lower cost, and limitations placed on the Corporation by Canadian or other regulations, might lower the demand for its medical cannabis products on a global scale.

Risks Inherent in an Agricultural Business

The Corporation's business involves the growing of cannabis, an agricultural product. Such business will be subject to the risks inherent in the agricultural business, such as insects, plant diseases and similar agricultural risks. Although the Corporation expects that any such growing will be completed indoors under climate-controlled conditions, there can be no assurance that natural elements will not have a material adverse effect on any such future production.

The expansion of the medical cannabis industry may require new clinical research into effective medical therapies, when such research is new to Canada

Research in Canada and internationally regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of cannabis or isolated cannabinoids (such as CBD and THC) remains in early stages. There have been relatively few clinical trials on the benefits of cannabis or isolated cannabinoids (such as CBD and THC). Although the Corporation believes that the articles, reports and studies currently available support its beliefs regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of cannabis, future research and clinical trials may prove such statements to be incorrect, or could raise concerns regarding, and perceptions relating to, cannabis. Given these risks, uncertainties and assumptions, investors should not place undue reliance on such articles and reports. Future research studies and clinical trials may draw opposing conclusions to those stated in this MD&A or reach negative conclusions regarding the medical benefits, viability, safety, efficacy, dosing, social acceptance or other facts and perceptions related to medical cannabis, which could have a material adverse effect on the demand for the Corporation's products with the potential to lead to a material adverse effect on the Corporation's business, financial condition and results of operations.

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, inadequate or inaccurate labeling disclosure or other non-compliance with an issued licence. If any of the Corporation's products are recalled due to an alleged product defect or for any other reason, the Corporation could be required to incur the unexpected expense of the recall and any legal costs and/or proceedings that might arise in connection with the recall. The Corporation may lose a significant volume 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 Corporation has detailed procedures in place 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 Corporation's significant brands were subject to recall, the image of that brand and the Corporation as its owner could be harmed. A recall for any of the foregoing reasons or other reasons could lead to decreased demand for the Corporation's products and could have a material adverse effect on the results of operations and financial condition of the Corporation. Additionally, product recalls may lead to increased scrutiny of the Corporation's operations by Health Canada or other regulatory agencies, requiring further management attention and potential legal fees and other expenses.

Regulatory or Agency proceedings, Investigations and Audits

The Corporation's business requires compliance with many laws and regulations. Failure to comply with these laws and regulations could subject the Corporation to regulatory or agency proceedings or investigations and could also lead to damage awards, fines and penalties. The Corporation may become involved in several government or agency proceedings, investigations and audits. The outcome of any regulatory or agency proceedings, investigations, audits, and other contingencies could harm the Corporation's reputation, require the Corporation to take, or refrain from taking, actions that could harm its operations or require the Corporation to pay substantial amounts of money, harming its financial condition. There can be no assurance that any pending or future regulatory or agency proceedings, investigations and audits will not result in substantial costs or a diversion of management's attention and resources or have a material adverse impact on the Corporation's business, financial condition and results of operation.

Lack of Earnings and Dividend Record

The Corporation has limited earnings or dividend records. The Corporation has not paid dividends on its MPXI Shares since incorporation and does not anticipate doing so in the foreseeable future. Payments of any dividends will be at the discretion of the Board after considering multiple factors, including the financial condition and current and anticipated needs of the Corporation.

Tax

Canadian federal and provincial tax issues should be taken into consideration prior to investing in the MPXI Shares. The return on an investor's investment is subject to taxes and to changes in Canadian tax laws. There can be no assurance that tax laws, regulations or judicial or administrative interpretations of these laws and regulations will change in a manner that fundamentally alters the tax consequences to investors holding or disposing of the MPXI Shares.

If you are purchasing the MPXI Shares outside of Canada, you should consult your own tax advisor for advice for your local jurisdiction.

Potential for Conflict of Interest

Certain of the directors and officers of the Corporation also serve as directors and/or officers of or be involved with other companies involved in the cannabis industry and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving the Corporation should be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Corporation and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the OBCA and other applicable laws.

Banking Risks

Cannabis businesses may have difficulty accessing the services of banks and processing credit card payments, which may make it difficult for the Corporation to operate. In February 2014, the Financial Crimes Enforcement Network ("**FCEN**") of the Treasury Department issued a memorandum (the "**FCEN Memo**") issuing guidance with respect to financial institutions providing banking services to cannabis business, including burdensome due diligence expectations and reporting requirements. This guidance does not provide any safe harbours or legal defences from examination or regulatory or criminal enforcement actions by the Department of Justice, FCEN or other federal regulators. As a result, most banks and other financial institutions do not appear to be comfortable providing banking services to cannabis-related businesses. In addition to the foregoing, banks may refuse to process debit card payments and credit card companies generally refuse to process credit card payments for cannabis-related businesses. As a result, the Corporation may have limited or no access to banking or other financial services in the jurisdictions it operates in. The inability or limitation on the Corporation's ability to open or maintain bank accounts in Canada or internationally or obtain other banking services and/or accept credit card and debit card payments may make it difficult to operate and conduct its business as planned.

Security Risks

The premises of cannabis facilities are targets for theft. While the Corporation has implemented security measures and continues to monitor and improve its security measures, its Canveda Facility and Switzerland based facilities could be subject to break-ins, robberies and other breaches in security. In addition, cannabis can be targeted for theft during its transportation from the licensed facility to retail location. In the event of robbery or theft, the loss of cannabis plants, cannabis extract, cannabis flowers and cultivation and processing equipment could have a material adverse impact on the business, financial condition and results of operation of the Corporation.

The Corporation's operations are subject to environmental regulation in the various jurisdictions in which it operates

These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Corporation's operations.

Government environmental approvals and permits are currently and may in the future be required in connection with the Corporation's operations. To the extent such approvals are required and not obtained, the Corporation may be curtailed or prohibited from its proposed business activities or from proceeding with the development of its operations as currently proposed. Failure to comply with applicable environmental laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. The Corporation may be required to compensate those suffering loss or damage due to its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Additional Information

Further information on MPXI may be found on the Corporation's website http://mpxinternationalcorp.com/ or readers can view interim and annual financial statements and filings on SEDAR at http://www.sedar.com.