## OVERVIEW

The following management discussion and analysis ("MDA") of the financial position of Orion Nutraceuticals Inc. ("the Company" or "the Issuer"), and results of operations prepared on April 15, 2025, should be read in conjunction with the condensed interim consolidated financial statements for the period ended February 28, 2025 and the notes related thereto ("Financial Statements"). These Financial Statements together with this MDA are intended to provide investors with a reasonable basis for assessing the financial performance of the Company.

The head office and registered and records office of the Company is located at 1890 – 1075 West Georgia Street Vancouver, British Columbia, V6E 3C9.

All financial information in this MDA has been prepared in accordance with IFRS. All dollar amounts included therein and in the following MDA are in Canadian dollars, the reporting and functional currency of the Company, except where noted.

Additional information related to the Company is available for view on SEDAR+ at www.sedarplus.ca or by requesting further information from the Company's head office in Vancouver.

## DESCRIPTION OF BUSINESS

The Company was incorporated under the Business Corporations Act of British Columbia on November 7, 2017. The Company completing its initial public offering and started trading on the CSE on October 17, 2018. On January 22, 2019, the Company's shares were approved for listing on the OTC Markets Group OTCQB Market under the ticker symbol ORONF. The Company was in the business of pursuing acquisitions of, or investments in, subsidiaries in global markets to grow cannabis and extract cannabis oil that will be used as an ingredient in proprietary health and beauty products and distributed in bulk to other manufacturers. During the year ended May 31, 2021, the Company changed its business model to focus on re-purposing a United States Food and Drug Administration approved drug to target asthma and chronic obstructive pulmonary disease (COPD).

## HIGHLIGHTS AND OVERALL PERFORMANCE

*2740162 Ontario Inc. (August Therapeutics) and Ketiko Bio Corp. Promissory Notes*

On December 19, 2022, the Company entered into a debt settlement agreement (the "Debt Settlement Agreement") with August Therapeutics and Ketiko (the "Debtors") relating to the promissory notes the Company extended to the Debtors in prior years. During the year ended May 31, 2024, the Debtors entered into an Asset Purchase Agreement with Therma Bright Inc. ("Therma") where the Debtors sold certain assets in exchange for 55,000,000 shares of Therma (the "Consideration Shares"). On October 23, 2023, pursuant to the Debt Settlement Agreement, the Debtors transferred 25,000,000 Consideration Shares with a fair value of $875,000 to fully satisfy the outstanding debt with the Company and recorded a recovery of promissory notes of $875,000. For more details, please refer to the previous MDA for the year ended May 31, 2024.

## RESULTS OF OPERATIONS

For the period ended February 28, 2025 ("2025"), the Company had a net loss of $129,185 compared to net income of $337,065 during the period ended February 29, 2024 ("2024"). In general, the Company's operations decreased during the period ended 2025 as the Company focused on managing cashflow to ensure the Company has adequate cash. A discussion and analysis of the changes are below:

- The Company incurred management fees of $4,100 in 2025, which is a decrease from $67,500 in the comparative period. In 2025, the Company appointed a new CEO, fees decreased in 2025 as part of the Company's cost conserving strategy.

**RESULTS OF OPERATIONS (CONTINUED)**

- Professional fees increased to $111,425 in 2025 from $75,645 in 2024 due to an increase in legal fees relating to the Debt Settlement Agreement with the Debtors.

- Regulatory and transfer agent fees decreased to $14,166 in 2025 from $19,681 in 2024. The fees are comparable to the prior year period.

- Unrealized loss on marketable securities decreased to $Nil in 2025 from $375,000 in 2024. In 2024, the unrealized loss related to the Therma Bright shares, on receipt of the shares the fair value was $875,000 but as at February 29, 2024 the fair value was $500,000 resulting in an unrealized loss.

- Recovery of promissory notes decreased to $Nil in 2025 from $875,000 in 2024. In 2024, the Company recovered promissory notes from the receipt of Therma Bright shares with a fair value of $875,000.

For the three months period ended February 28, 2025 ("Q3 2025"), the Company had a net loss of $41,441 compared to a net loss of $48,921 during the period ended February 29, 2024 ("Q3 2024"). The decrease in net loss in Q3 2025 is primarily due to the Company strategy on managing cashflow to ensure the Company has adequate cash.

The Company has not paid any dividends on its common shares and has no present intention of paying dividends, as it anticipates that all available funds for the foreseeable future will be used to finance its business activities.

**SUMMARY OF QUARTERLY FINANCIAL RESULTS**

The following table sets out selected quarterly financial information derived from the Company's unaudited condensed consolidated interim financial statements, for each of the eight recently completed quarters, which have been prepared in accordance with IFRS:

| | *February 28, 2025 -$-* | *November 30, 2024 -$-* | *August 31, 2024 -$-* | *May 31, 2024 -$-* |
|---|---|---|---|---|
| Total assets | 97,429 | 97,343 | 111,823 | 193,462 |
| Working capital (deficiency) | (1,105,980) | (1,064,539) | (1,013,620) | (976,795) |
| Shareholders' equity (deficiency) | (1,105,980) | (1,064,539) | (1,013,620) | (976,795) |
| Net income (loss) for the period | (41,441) | (50,919) | (36,825) | (398,887) |
| Earnings (loss) per share | (0.00) | (0.00) | (0.00) | (0.01) |

| | *February 29, 2024 -$-* | *November 30, 2023 -$-* | *August 31, 2023 -$-* | *May 31, 2023 -$-* |
|---|---|---|---|---|
| Total assets | 502,710 | 503,523 | 3,536 | 3,992 |
| Working capital (deficiency) | (577,908) | (528,987) | (960,324) | (914,973) |
| Shareholders' equity (deficiency) | (577,908) | (528,987) | (960,324) | (914,973) |
| Net income (loss) for the period | (48,921) | 431,337 | (45,351) | (91,097) |
| Earnings (loss) per share | (0.00) | 0.01 | (0.00) | (0.00) |

During the period ended May 31, 2023, the Company recorded a net loss of $91,097 as a result of the Company's operating expenses. The expenses were lower for May 31, 2023 as the Company had minimal funds in the prior year and was focused on managing its cashflow.

## SUMMARY OF QUARTERLY FINANCIAL RESULTS (CONTINUED)

During the period ended February 28, 2023, the Company recorded net loss of $256,921 as a result of the write-off of accounts payables of $202,205 offset by the Company's operating expenses of $54,716. The write-off of accounts payable was reversed as at May 31, 2023.

During the period ended August 31, 2023, the Company recorded a net loss of $45,351 as a result of the Company's operating expenses. The expenses were lower for August 31, 2023 as the Company had minimal funds at the beginning of the year and was focused on managing its cashflow.

During the period ended November 30, 2023, the Company recorded net income of $431,337 as a result of receiving shares of Therma pursuant to the Debt Settlement Agreement and recording a recovery of promissory notes of $875,000. During the period, the fair value of the shares declined in value resulting in an unrealized loss of $375,000.

During the period ended February 29, 2024, the Company recorded net loss of $48,921 as a result of the Company's operating expenses. The overall results are comparable to the prior year of $54,716 in operating expenses, however in the prior year the Company also recorded a write-off of accounts payable of $202,205 which resulted in a net loss of $256,921.

During the period ended May 31, 2024, the Company recorded net loss of $398,887 as a result of the Company realizing a loss of $245,500 on the sale of Therma shares and had operating expenses of approximately $153,429.

During the period ended August 31, 2024, the net loss is comparable to the prior year period. The management fees decreased, while professional fees increased.

During the period ended November 30, 2024, the Company recorded net loss of $50,919 which is a decrease compared to the prior year comparative period. The increase in net loss is primarily due to a decrease in net loss on marketable securities and decrease of recovery of promissory notes compared to period ended November 30, 2023.

During the period ended February 28, 2025, the Company recorded net loss of $41,441 which is a decrease compared to the prior year comparative period. The decrease in net loss is primarily due to the Company strategy on managing cashflow to ensure the Company has adequate cash.

## LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations to date through receipt of loans from shareholders, and from the issuance of common shares. The Company continues to seek capital through various means including the issuance of equity and/or debt.

Net cash used in operating activities for the period ended February 28, 2025 was $58,700 (2024 – $20,944), the Company repaid vendors during the period.

Net cash used in financing activities for the period ended February 28, 2025 was $37,333 (2024 – $19,662 received from financing activities). During the period ended February 28, 2025, the Company repaid loans of $37,333. During the period ended February 29, 2024, the Company received loans of $19,662 from a former related party.

There can be no assurance of successfully completing future financings. The Company will need to raise further capital to continue operations. Management is actively seeking such opportunities.

## RELATED PARTY TRANSACTIONS

The Company defines key management as Directors and officers of the Company. Key management consists of:

Joel Dumaresq, Former CEO, CFO and Director (*Resigned on March 13, 2024)*
Guy Bourgeois, CEO, CFO and Director *(Appointed as Director on June 7, 2023, CEO and CFO on March 13, 2024)*
Amanda Boudreau, Director *(Appointed on June 7, 2023)*

The following are the transactions with related parties during the periods ended February 28, 2025 and February 29, 2024, respectively:

| | 2025 | 2024 |
|---|---|---|
| Management fees paid or accrued to Joel Dumaresq, former CEO and related companies | $ - | $ 67,500 |
| Management fees paid or accrued to Guy Bourgeois, CEO | 3,100 | - |
| Management fees paid or accrued to Amanda Boudreau, Director | 1,000 | - |
| Total | $ 4,100 | $ 67,500 |

At February 28, 2025, the Company owes $401,250 (May 31, 2024 – $401,250) directly or to companies controlled by key management personnel, which is included in accrued liabilities. At February 28, 2025, the Company owes $44,905 (May 31, 2024 – $44,905) directly to key management personnel, which is included in loans payable. These amounts are unsecured, non-interest bearing and due on demand.

## FINANCIAL RISK MANAGEMENT

The Company is exposed to minimal financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

*Interest rate*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

*Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash on hand to meet its financial obligations. Liquidity risk is assessed as high.

*Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its cash. The risk on cash is managed through the use of a global financial services provider specializing in payment solutions and foreign exchange management. Although the financial services provider is not a financial institution, the Company has assessed its credit risk exposure to the financial services provider as moderate, based on the provider's historical performance and market standing.

## FINANCIAL RISK MANAGEMENT (CONTINUED)

*Foreign exchange rate risk*

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company does not hedge its exposure to fluctuations in foreign exchange rates. At February 28, 2025, the Company has minimal impact from foreign exchange risk as it does not hold any assets in foreign currencies.

## CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to carry out its business plan and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company depends on external financing to fund its activities. The capital structure of the Company consists of common shares. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets or adjust the amount of cash.

There were no changes in the Company's approach to capital management during the period. There are no externally imposed capital requirements.

## CLASSIFICATION OF FINANCIAL INSTRUMENTS

Fair values

The fair values of cash, loans payable and accounts payable approximate their carrying values due to the short-term to maturities of these financial instruments.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company's cash is measured using level 1 inputs. The Company's investment portfolio is measured using the most reliable measure of fair value and range from level 1 to level 3 inputs. During the period ended February 28, 2025 and year ended May 31, 2024, there were no transfers between levels.

## ADDITIONAL INFORMATION

### Off-Balance Sheet Arrangements

As at February 28, 2025 and up to the date of this MDA, the Company had no off-balance sheet arrangements.

### Legal Proceedings

As at the current date of this MDA, management was not aware of any legal proceedings involving the Company.

## ADDITIONAL INFORMATION (CONTINUED)

### Outstanding Share Data

As at the date of this MDA, the Company has the following outstanding securities:

1) 29,307,965 common shares
2) Nil stock options outstanding.
3) Nil warrants outstanding.

## CONTINGENT LIABILITIES

As at February 28, 2025 and up to the date of this MDA management was not aware of any outstanding contingent liabilities relating to the Company's activities.

Any forward-looking information in this MDA is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the company, and other factors.

## FORWARD-LOOKING INFORMATION

This MDA contains certain forward-looking statements and information relating to the Company that is based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. This MDA contains forward-looking statements relating to, amongst other things, regulatory compliance and the sufficiency of current working capital. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties, and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Aside from factors identified in the annual MDA, additional, important factors, if any, are identified here.

## RISKS AND UNCERTAINITIES

Risk is inherent in all business activities and cannot be entirely eliminated. Our goal is to enable the Company's business processes and opportunities by ensuring that the risks arising from our business activities, the markets and political environments in which we operate is mitigated. The risks and uncertainties described in the annual MDA for the year ended May 31, 2024 are considered by management to be the most important in the context of the Company's business and are substantially unchanged as of the date of this report. Those risks and uncertainties described are not inclusive of all the risks and uncertainties the Company may be subject to and other risks may apply.

## CAPITAL DISCLOSURE

The Company manages its capital structure and makes adjustments to it based on the funds available to the Company, in order to support the acquisition of a new business. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to acquire and sustain future development of a business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended February 28, 2025. The Company is not subject to externally imposed capital requirements.

## ADDITIONAL INFORMATION (CONTINUED)

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management, and have been examined and approved by the Board of Directors. The financial statements were prepared by management in accordance with IFRS and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities. The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors.

This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.