TELESCOPE INNOVATIONS

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED NOVEMBER 30, 2024

Management's discussion and analysis ("MD&A") provides a detailed analysis of the results and financial condition of Telescope Innovations Corp. (the "Company") for the three months ended November 30, 2024. The following MD&A should be read in conjunction with the Company's consolidated financial statements for the year ended August 31, 2024 and the notes thereto (collectively, the "Financial Statements"), which have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Other information contained in these documents has also been prepared by management and is consistent with the data contained in the Financial Statements.

This MD&A is dated January 24, 2025, and discloses specified information up to that date. Unless otherwise cited, references to dollar amounts are in Canadian dollars. This MD&A contains "forward-looking statements" that are subject to risk factors including those set out in the "Cautionary Statement" at the end of this MD&A. All information contained in this MD&A is current and has been approved by the Company's Board of Directors as of January 24, 2025, unless otherwise indicated. Throughout this report we refer to "Telescope", the "Company", "we", "us", "our", or "its". All these terms are used in respect of Telescope Innovations Corporation. ***We recommend that readers consult the "Cautionary Statement" on the last page of this report.*** Additional information relating to the Company is available on the Company's website at www.telescopeinnovations.com and on SEDAR at www.sedarplus.com.

The consolidated financial statements for the three months ended November 30, 2024, has been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. During the three months ended November 30, 2024, the operations of the Company were funded by positive operating cash flow generated by the Company's operating activities.

The continued operations of the Company are dependent on its ability to develop a sufficient financing plan, receive continued financial support from related parties, complete sufficient public equity financing, or continue to generate profitable operations in the future. The condensed consolidated interim financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue business.

DESCRIPTION OF BUSINESS

Telescope Innovations Corp. is a chemical technology company developing scalable manufacturing processes and tools for the pharmaceutical, specialty chemical and next generation clean energy industries. The Company develops, combines and deploys new enabling technologies including flexible robotic platforms, advanced analytical tools and machine learning tools which improve experimental throughput, efficiency, process insight and data quality. A key area of application for these tools is the development of optimized, scalable manufacturing processes. The Company also applies these tools in performing contract research services for clients to resolve inefficiencies in industrial process chemistry and manufacturing. The Company was incorporated on March 25, 2019, with the intention of focusing on the rapidly expanding and unmet demand for pharmaceutical-grade tryptamine compounds currently being studied in clinical trials for several therapeutic areas such as treatment resistant depression, post-traumatic stress disorder, alcoholism and palliative care. To address this need, the Company is developing proprietary processes compatible with the standards of cGMP. The sale or licensing of Company-developed intellectual property continues as one of the core components of the Company's business model.

Operations and development efforts thus far have focused on three strategic areas: (i) development and commercialization of critical analytical technology to speed the development of chemical based processes; (ii) autonomous process optimization laboratory systems ("Self-Driving Labs") to accelerate chemical process research while significantly decreasing development costs; and (iii) the application of these tools to resolve chemistry related manufacturing challenges in pharmaceutical and chemical synthesis.

Since March 2022, the Company has applied tools to address previously intractable challenges in chemical manufacturing, engineering, next generation clean energy and mining. The Company has been engaged by various industrial clients seeking crucial chemical studies to enable process manufacturing, or to evaluate novel processes and technologies for potential deployment. Clients include Natural Resources Canada, Pfizer, Hatch, along with other multinational companies. The Company expects these engagements to illuminate industrial pain points that can be targeted with its unique technology, creating valuable products and services for the chemical manufacturing sector, such as high purity lithium and key metal utilized in current and new battery technologies.

Over the next year, the Company intends to continue deploying its autonomous process optimization technologies through product sales, and focused contract research engagements addressing specific chemical research, development, or manufacturing bottlenecks for client companies. The Company anticipates that R&D activities will result in filing additional provisional patents related to novel processes and technologies over the next twelve months and may license these processes for commercial application (development and manufacturing).

FINANCIAL HIGHLIGHTS

The Company reported gross revenues and operating expenses of $1,204,197 and $1,547,734, respectively, resulting in a net loss of $343,537 for the three months ended November 30, 2024. Revenues decreased by $300,655 (-20.0%) from the previous comparable period primarily attributed to a decline in recognized revenue from contract research services and product sales. During year end August 31, 2023 and also the period ended November 30, 2023, the Company delivered numerous DirectInject-LC™ demo products to various clients which ultimately lead to follow on sales in subsequent periods. This favorable demand for demo products upon launch accelerated revenue recognition of DirectInject-LC™ for demo products during the period ended November 30, 2023, and was one-time in nature thus not repeated in the current comparable period. The Company transitioned to fully commercialized production and sales after the period ended November 30, 2023 with fewer demos. Total product sales revenue for the three months ended November 30, 2024, was $822,580 while contract research services revenue contributed $381,617. Sales of products and contract research services to clients occurred in Canada and USA during the quarter. As at November 30, 2024, the combination of the Company's deferred revenue and expected backlogged orders was more than $9,000,000 which represents products and services to be delivered in future periods. During the three months ended November 30, 2024, the Company incurred positive cash flows of $1,088,162 from operating activities with a residual increase in cash of $706,814 after incorporating investing and financing activities. The Company had an accumulated deficit of $12,409,941 which has been funded primarily by equity financing. For the three months ended November 30, 2024, the Company posted EBITA and Adjusted EBITA of ($118,889) and ($103,177) respectively (see *Non-IFRS Measures* below). The Company's ability to continue as a going concern is dependent upon its ability to be profitable and generate positive cash flows, obtaining additional financing, or maintaining continued support from its creditors.

The Company announced on October 24, 2024, that it has granted a total of 807,000 incentive stock options to employees of the Company in accordance with the Company's incentive stock option plan. The options vest according to the Company's incentive stock option plan and are exercisable to acquire common shares of the Company at a price of $0.43 until October 24, 2029.

On November 10, 2022, the Company closed a private placement and issued a total of 4,879,499 units at a price of $0.30 per unit for total proceeds, less share issuance costs, of $1,430,054. Each unit consists of one common share of the Issuer and one-half-of-one common share purchase warrant. Each Warrant entitles the holder to purchase one additional common share of the Issuer at a price of $0.75 per warrant share until November 10, 2024, subject to accelerated expiry at the option of the Company in the event the closing price of the Shares on the Canadian Securities Exchange is $1.00 or more for ten consecutive trading days. The units were offered pursuant to exemptions from the registration and prospectus requirements of applicable securities legislation. The Company paid finders' fees of $33,796 related to the private placement, which was recorded as share issuance costs. Insiders of the Company subscribed for an aggregate of 1,160,332 units. The issuances of units to insiders pursuant to the Offering are considered related party transactions within the meaning of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Company relied on exemptions from the formal valuation and minority approval requirements in sections 5.5(a) and 5.7(1)(a) of MI 61-101 in respect of insider participation as, at the time the transaction was agreed to, neither the fair market value of, nor the fair market value of the consideration for, the transaction, insofar as it involves interested parties, exceeded 25% of the Company's market capitalization. The Company has used the net proceeds from the Offering for working capital, general corporate purposes, and to continue to grow the operations of the business.

OPERATIONAL HIGHLIGHTS

Automation and Analytical Products and Services for Pharmaceutical R&D

Mettler Toledo Product Distribution and Development Agreement

During the three months ended November 30, 2024, significant business activities supported Telescope's multi-year agreement with Mettler Toledo for the global distribution of our flagship DirectInject-LC™. During this period, Telescope delivered all required product orders and expanded our customer base through sales activities, network building, product demonstrations, and installations. Product demonstrations spanned the US, Japan, Belgium, and Slovenia this quarter, while multiple units were installed for customers in the US. Mettler Toledo's market leadership in the automated chemistry market, with thousands of installations world-wide, continues to provide an ideal distribution platform for Telescope's product. The revenue impact of this partnership is reflected in Telescope's strong financial performance this quarter and is expected to support the Company's growth plan going forward.

Telescope Innovations was an invited participant at the BioPharma Round Table hosted by Abbvie. In addition to Metter Toledo, Telescope was the only other vendor to participate at this strategic meeting with over 50 top executives from US, European and Japanese biopharma companies to discuss critical trends and problems related to the development of new Pharmaceuticals

Telescope launched our distribution of DirectInject-LC™ in Japan and Mettler Toledo Japan has created immediate opportunities that we expect will close the first half of 2025

Metter Toledo developed and launched a marketing campaign for DirectInject-LC™ in November that created significant opportunities for the US market for 2025 revenue.

Master Collaborative Research Agreement with Pfizer for Developing Self-Driving Labs

Telescope launched development activities relating to the multi-year collaborative research agreement that was signed between Telescope and Pfizer. The combination of a close collaboration with Pfizer scientists and the strong financial contribution will allow growth in Telescope's Technical Team and resulting R&D advancement, with a particular focus on the deployment of Self-Driving Laboratories ("SDLs"). SDLs use artificial intelligence, advanced process analytical technology, and robotic automation to autonomously perform chemistry research. SDLs are capable of optimizing material properties and chemical synthesis methods up to 100x faster than traditional research methods. Thus, it is estimated that SDLs will dramatically reduce the time and cost of developing new pharmaceuticals. SDL development is aligned with the key market drivers for accelerated time to market of new chemicals and processes, increased competitiveness with offshore markets and supply chains, and increased robustness towards global economic upsets.

To bolster SDL development efforts, Telescope achieved Certified Systems Integrator ("CSI") status for Universal Robots ("UR") systems. Telescope uses UR instruments as the robotic components of its SDLs. The CSI expanded knowledge enables: i) faster development cycles for Telescope SDLs; and ii) facilitated deployment of SDLs for Telescope clients, since CSI status empowers Telescope to seamlessly transfer SDL technology to client sites, install robotics, and train clients on their use. This in-house expertise lowers the barrier for SDL adoption, ensuring Telescope technology is meaningfully deployed to accelerate chemistry R&D.

Automation Tools and Process Development for Cleantech and Critical Minerals R&D

<u>Intellectual Property Demonstration and Collaboration: Production of >99.5% Pure Lithium Carbonate from Altillion Brines</u>

Traditional methods of isolating lithium from North American brines involve multiple steps and high costs, making them less competitive with overseas production. This quarter, Altillion, Inc. ("Altillion") and Telescope demonstrated successful streamlining of brine processing. Altillion's ALIX technology simplifies lithium concentration from brines, while Telescope's recrystallization refinement technology, ReCRFT™, produces battery-grade lithium carbonate directly from post-DLE concentrates, reducing feed polishing steps and reagent use. ReCRFT™ is inspired by established manufacturing approaches from the pharmaceutical industry that reliably produce large quantities of active pharmaceutical ingredients in high purity. ReCRFT™ enables low-cost production in 4 ways: i) continuous operation, ii) high process yield, iii) high impurity tolerance, and iv) reduced reagent utilization. Current estimates suggest that ReCRFT™ could reduce lithium refinery plant CapEx by 15-25% and OpEx by 25% relative to incumbent technologies.

The successful demonstration with Altillion highlights the ability of Telescope's process to enable a sustainable and profitable lithium supply chain in North America. Telescope has protected ReCRFT™ technology through a patent application under the Patent Cooperation Treaty and additional jurisdictions. The Company is also building a ReCRFT™ pilot plant in Vancouver to provide the key engineering studies and continuous operation demonstrations requested by several potential licensing customers.

<u>Peer-Reviewed Publication: Combining ReCRFT™ with Artificial Intelligence to Optimize Production of Battery-Grade Lithium Carbonate</u>

Telescope collaborated with Natural Resources Canada, McMaster University, and the University of Toronto to undertake and publish a research project in the peer-reviewed journal Digital Discovery. The paper, titled "Artificial Intelligence-Enabled Optimization of Battery-Grade Lithium Carbonate Production", introduces a cutting-edge AI-driven automation platform that optimizes Telescope's ReCRFT™ process for a variety of lithium brine feedstocks. This platform increased the yield of lithium carbonate produced from lithium brine concentrates to over 83%, outperforming traditional optimization methods. Beyond leveraging ReCRFT™ and AI, this work highlighted the use of carbon dioxide as a reagent within lithium processing. Thus, project outcomes not only improve lithium carbonate yields but also enhance the sustainability of the entire process, further cementing the value of ReCRFT™ in addressing the battery materials supply chain in North America.

Health and Safety Committee

Telescope's Health and Safety Committee observed no safety incidents over the last quarter, including no damage to lab or capital equipment and no injuries to staff. The Company considers health and safety in the workplace a top priority for all stakeholders, and is subject to third party annual safety audits in addition to managing health and safety operationally day to day through policies and procedures established by the Company's Health and Safety Committee.

NON-IFRS MEASURES

EBITA and Adjusted EBITA

Earnings, or loss, before interest, taxes and amortization ("EBITA") is a non-IFRS financial measure which excludes the following items from IFRS net earnings:
• Amortization of property and equipment
• Amortization of right of use asset
• Interest on right of use asset

Adjusted EBITA, or loss, excludes the following items from EBITA:
• Share based payments
• Foreign exchange gain/loss

Management believes EBITA and Adjusted EBITA provide an indication of continuing capacity to generate operating cash flow to fund capital needs, service obligations and fund capital expenditures. These measures are intended to provide additional information to readers of this MD&A. There are not standardized definitions under IFRS and should not be considered in isolation or as a substitute for measures of operating performance prepared in accordance with IFRS.

Adjusted EBITA excludes share-based payments, and non-operating or recurring items such as foreign exchange gains and losses. Under IFRS, entities must reflect within compensation expense the cost of share-based payments. In the Company's circumstances, share-based compensation can involve significant amounts that will not be settled in cash but are settled by issuance of shares in exchange. The Company discloses Adjusted EBITA to aid in understanding the results of the Company.

The following table provides a reconciliation of net income (loss) in the IFRS based financial statements to EBITA and Adjusted EBITA:

EBITA Reconciliation:	**Period Ended**	
	November 30, 2024	**November 30, 2023**
Net income (loss) per IFRS	$ (343,537)	$ 215,000
Amortization of property and equipment	98,278	91,119
Amortization of right of use asset	64,885	34,584
Interest on right of use asset	61,485	55,251
EBITA	$ (118,889)	$ 395,954
Share based payments	-	111,510
Foreign exchange gain/loss	15,712	(2,293)
Adjusted EBITA earnings (loss)	$ (103,177)	$ 505,171

EBITA for the three months ended November 30, 2024 was ($118,889), a decrease of $514,843 when compared to EBITA of $395,954 in the corresponding three months ended in 2023. There was additional amortization and interest on right of use assets versus comparative periods due to the Company's 120-month office lease agreement that commenced on October 1, 2023.

Adjusted EBITA for the three months ended November 30, 2024 was ($103,177), a decrease of $608,348 when compared to Adjusted EBITA of $505,171 in the corresponding three months ended in 2023. Changes to Adjusted EBITA are a result of the items noted above in EBITA, further excluding share-based payments and movements in realized foreign exchange.

SUMMARY OF QUARTERLY FINANCIAL RESULTS

The following is a summary of certain financial information concerning the Company for the last eight quarters ended November 30, 2024, in accordance with IFRS.

Quarter Ended	Total Assets	Total Long - term Liabilities	Working Capital	Revenue	Comprehensive Income (Loss)	Basic and Diluted Income (Loss) per share
February 28, 2023	$ 3,708,317	-	$ 1,337,757	$ 816,328	$ 11,314	$ 0.00
May 31, 2023	3,244,904	-	1,493,942	1,012,999	67,847	0.00
August 31, 2023	3,290,512	-	493,797	483,618	(527,020)	(0.01)
November 30, 2023	5,804,094	1,880,546	820,780	1,504,852	215,000	(0.00)
February 29, 2024	5,506,891	1,956,295	608,395	686,205	(541,212)	(0.01)
May 31, 2024	5,281,184	1,932,423	1,107,915	1,224,351	(200,299)	(0.00)
August 31, 2024	5,691,670	2,029,127	261,199	1,012,534	(797,142)	(0.02)
November 30, 2024	$ 5,400,947	$ 2,090,612	$ (239,038)	$ 1,204,197	$ (343,537)	$ (0.01)

SUMMARY OF ANNUAL FINANCIAL RESULTS

The following selected financial information is taken from the audited financial statements and should be read in conjunction with those statements.

	Year Ended August 31, 2024	Year Ended August 31, 2023	Year Ended August 31, 2022
Revenue	$ 4,427,942	$ 2,824,010	$ 595,538
Comprehensive loss	(1,323,653)	(718,094)	(5,747,027)
Basic and diluted loss per share	(0.02)	(0.01)	(0.12)
Total assets	5,561,670	3,290,512	3,023,559
Total long-term liabilities	-	-	-
Working capital	$ 261,199	$ 493,797	$ 145,576

For the three months ended November 30, 2024, in comparison to the three months ended November 30, 2023

	2024	2023	Note
REVENUES	$ 1,204,197	$ 1,504,852	1
EXPENSES			
Advertising and promotion	26,469	24,458	
Amortization	163,163	125,703	2
Consulting	208,761	138,065	3
Foreign exchange loss (gain)	15,712	(2,293)	
Insurance	17,332	21,153	
Interest in right of use asset	61,485	55,251	
Lab operations and supplies	78,009	83,568	
Management fees	50,420	60,100	
Office and miscellaneous	43,234	36,442	
Parts	169,138	209,795	5
Professional fees	77,784	32,336	4
Regulatory and transfer agent fees	15,598	21,250	
Salaries and wages	523,769	274,569	3
Share-based payments	-	111,510	6
Rent	14,985	-	
Travel	81,875	97,947	7
Total expenses	**(1,547,734)**	**(1,289,852)**	
Net Loss and comprehensive loss for the period	$ (343,537)	$ 215,000	
Basic and diluted income (loss) per common share	$ (0.01)	$ 0.00	

1. During the period ended November 30, 2024, the Company generated revenues of $1,204,197, versus $1,504,852 in the comparable period, a decrease of $300,655. The decrease in revenues is the result of a decline in contract research work and lower amount of product sales versus the comparable period. During year end August 31, 2023 and also the period ended November 30, 2023, the Company delivered numerous DirectInject-LC™ demo products to various clients which ultimately lead to follow on sales in subsequent periods. This accelerated revenue recognition of DirectInject-LC™ demo products during the period ended November 30, 2023 was one-time in nature.

2. Total amortization of equipment and the Company's right of use asset (ROU) for the period was $163,163 versus $125,703 in the comparable period. The increase is due to amortization relating the Company's right of use asset and liability relating to its new office and lab space.

3. Consulting fees were $208,761 during the period versus $138,065 over the comparable period. The increase is due to new consultants joining the Company during the current period. Salaries and wages were $523,769 during the period versus $274,569 over the comparable period due to new staff hires.

4. Professional fees for the period was $77,784, an increase of $45,448. The increase is the result of additional legal and audit costs versus the comparable period.

5. Parts expense relates to the costs of input materials for DILC unit product sales. The decrease of $40,657 versus the comparable period reflects more favorable per unit procurement costs of component parts supporting overall product sales during the period.

6. Share based payments expense was nil compared to $111,510 in the previous comparable period. The decrease is the result of new options that had been issued during the period containing future dated vesting conditions.

7. Travel expense was $81,875 compared to $97,947 in the comparable period, a decrease of $16,072. The decrease is due to reduced business travel during the period.

LIQUIDITY, CAPITAL RESOURCES AND CAPITAL EXPENDITURES

During the period, the Company increased its revenues, however, it has accumulated losses and may incur further losses in the development of its business. This uncertainty may cast significant doubt about the Company's ability to continue as a going concern. The continued operations of the Company are dependent on its ability to develop a sufficient financing plan, receive continued financial support from related parties, complete sufficient public equity financing, and generate profitable operations in the future.

The Company will take appropriate measures to raise the necessary funding through private placements, exercising of stock options, warrants and/or credit facilities to address its liabilities and to continue operations should it not be able to immediately continue its profitable operations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

The Company generated an IFRS net loss of $343,537 for the three months ended November 30, 2024 (November 30, 2023 – net income of $215,000). The Company has a history of losses and accumulated losses of $12,409,941 (November 30, 2023 - $10,527,751) since its inception. The Company may incur losses in the future however it has secured several cash flow positive sales contracts that it expects will help to generate positive cash flows going forward.

At November 30, 2024, the Company's working capital, defined as current assets less current liabilities, was ($239,038) as compared to $261,199 at August 31, 2024.

During the year from September 1, 2024, to November 30, 2024, the Company:

i) Issued 32,000 common shares as a result of share options exercise.

ii) Purchased $385,828 of office and lab equipment.

The Company's financial statements have been prepared in accordance with IFRS applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year.

Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

The Company's cash is denominated Canadian and US dollars. The Company is subject to exchange rate fluctuations relative to the reporting currency. Total Canadian equivalent cash on hand at November 30, 2024, was $1,043,822 which is held in a large Canadian chartered bank. The Company has not made any arrangements for sources of financing that remain undrawn.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK

Financial Instruments and Fair Value Measurements

IFRS 7, *Financial Instruments: Disclosures,* establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets forth the Company's financial assets and financial liabilities measured at fair value on a recurring basis by level within the fair value hierarchy as at November 30, 2024:

	November 30, 2024	August 31, 2024
November 30, 2024		
Level 1		
Cash	$ 1,043,822	$ 337,008
Level 2	–	–
Level 3	–	–
Total financial assets	$ 1,043,822	$ 337,008

At November 30, 2024, cash of $1,043,822 (August 31, 2024 - $337,008) was classified as level 1. There were no transfers into or out of level 2 or level 3 during the year. There are no financial liabilities measured at fair value on a recurring basis.

Fair Value

The fair values of the Company's financial instruments approximate their carrying values as at November 30, 2024 and 2023 because of the demand nature or short-term maturity of these instruments.

The Company's financial instruments include cash, accounts receivable, accounts payable, and amounts due to related parties. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Financial Risk

(i) Credit risk

Credit risk arises from non-performance by counterparties of contractual financial obligations. The Company's maximum credit risk is primarily attributable to its cash and accounts receivable. The Company limits its exposure to credit loss for cash by placing such instruments with large Canadian financial institutions. The Company has not recorded an allowance for doubtful accounts against its trade receivables as all balances owed are settled in full when due (usually 90 days or less).

(ii) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient financial resources to meet liabilities when due. As at November 30, 2024, the Company had a working capital deficit of $239,038 (August 31, 2024 - $261,199 surplus). All the Company's accounts payable and amounts due to related parties have contractual maturities of less than 30 days and are subject to normal trade terms.

Contractual undiscounted cash flow requirements for financial liabilities as at November 30, 2024 are as follows:

	<1 Year	2-5 Years	>5 Years	Total
Accounts payable and accrued liabilities	$ 570,022	$ -	$ -	$ 570,202
Amounts due to related parties	399,854	-	-	399,854
Lease liabilities	-	1,779,273	1,877,621	3,656,894
	$ 969,876	$ 1,779,273	$ 1,877,621	$ 4,626,950

(iii) Interest rate risk

In management's opinion, the Company's interest rate risk is minimal as the Company does not have any indebtedness that bears interest at fixed or variable rates.

(iv) Foreign currency risk

The Company's functional currency is the Canadian dollar. The Company's head office and operating expenses are mainly denominated in Canadian dollars although some of the Company's revenue is denominated in US dollars. If the US dollar depreciates compared to the Canadian dollar revenue would decrease in Canadian dollars.

As at November 30, 2024, $156,894 (2023 - $16,072) of the Company's liabilities and $951,384 (2023 - $1,189,822) of its current assets are denominated in US dollars, Swiss Francs, and Euros. A 10% change in the exchange rate would result in a $110,828 net impact on the Company's foreign exchange gain or loss. As at November 30, 2024, the Company is moderately exposed to foreign exchange fluctuations.

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RELATED PARTY TRANSACTIONS

Key management personnel include the Company's Board of Directors and Officers of the Company. The Company's related parties include key management personnel, and companies related by way of directors or shareholders in common.

(a) Key management personnel compensation is comprised of the following:

The remuneration of directors and other members of key management personnel during the period ended November 30, 2024 and 2023 were as follows:

		2024		**2023**
Consulting and management fees	$	254,826	$	105,386
Share-based payments		-		48,810
	$	254,826	$	154,196

(b) Amounts due to/from related parties

In the normal course of operations, the Company transacts with companies related to the Company's directors and officers. All amounts payable and receivable are non-interest bearing, unsecured and due on demand. The following table summarizes the amounts due to related parties at November 30, 2024, and 2023:

		2024		**2023**
Dr. Jason Hein	$	287,795	$	290,350
Dr. Jeffrey Sherman		9,797		-
Henry Dubina		102,262		-
Emprise Management Services Corp.		-		59,325
	$	399,854	$	349,675

(c) Other related party transactions

The Company recognizes Standard Lithium Ltd. ("STL") as a related party due to common directors. Dr. Andy Robertson serves as director of STL and Telescope Innovations Corp. As at November 30, 2024, there are no payables from STL to the Company and no amounts included in accounts receivable.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of this document along with the audited consolidated financial statements. Management is responsible for the integrity and objectivity of this document, ensuring the fair presentation of its financial results. The Audit Committee is responsible for reviewing the contents of this document along with the audited consolidated financial statements to ensure the reliability and timeliness of the Company's disclosure while providing another level of review for accuracy and oversight. The Board of Directors, based on recommendations from the Company's Audit Committee, reviews and approves the financial information contained in the audited consolidated financial statements and the MD&A.

MATERIAL ACCOUNTING POLICIES

The Company's material accounting policies are described in Note 2 the consolidated financial statements for the year ended August 31, 2024, as filed on SEDAR+ at www.sedarplus.ca. As at November 30, 2024, there are no IFRS Accounting Standards or International Financial Reporting Interpretations Committee interpretations that are not yet effective or early adopted that are expected to have any impact on the Company.

SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS, AND JUDGEMENTS

The preparation of the consolidated financial statements in accordance with IFRS Accounting Standards, such as the underlying consolidated financial statements for the three months ended November 30, 2024, requires management to make estimates, assumptions and judgements that affect the reported amounts of assets, liabilities and expenditures. These estimates, assumptions and judgements are based on management's best knowledge of the relevant facts and circumstances taking into account previous experience. Actual results could differ and such differences could be material. Estimates, assumptions and judgements are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates, assumptions and judgements, and the resulting effects on the carrying amounts of the Company's assets and liabilities, are accounted for prospectively.

MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to develop scalable manufacturing processes and tools for the pharmaceutical and chemical industry. The Company does not have any externally imposed capital requirements to which it is subject to. The Company considers the aggregate of its equity as capital. 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 or dispose of assets or adjust the amount of cash.

The Company's investment policy is to invest its cash in investment instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected time of expenditures from operations.

OUTSTANDING SHARE DATA

a) Authorized: The Company is authorized to issue an unlimited number of common shares without par value.

b) Issued and outstanding as of November 30, 2024: 53,697,569 common shares. In connection with the Company's direct listing on the Canadian Securities Exchange in 2022, the Company entered into an Escrow Agreement dated September 27, 2021, whereby 11,643,741 common shares were held in escrow and are scheduled for release in accordance with the terms of the Escrow Agreement. During the period ended November 30, 2024, the balance of shares in escrow were released.

c) Stock options outstanding: 5,490,050

OFF-BALANCE SHEET ARRANGEMENTS

During the three months ended November 30, 2024, there were no material off-balance sheet transactions which have not been recorded in the Company's consolidated financial statements. The Company has not entered into any specialized financial arrangement to minimize its currency risk.

CAUTIONARY STATEMENT

Forward-looking Statements

Certain statements made and information contained herein in the MD&A constitutes "forward-looking information" and "forward-looking statements" within the meaning of applicable securities legislation (collectively, "forward-looking information" or "forward-looking statements") concerning the business, operations, financial performance and condition of the Company. The forward-looking information contained in this MD&A is based on information available to the Company as of the date of this MD&A. Except as required under applicable securities legislation, the Company does not intend, and does not assume any obligation, to update this forward-looking information. Generally, any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance, (often, but not always, identified by words or phrases such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "projects" , "estimates", "budgets", "scheduled", "forecasts", "assumes", "intends", "strategy", "goals", "objectives", "potential", "possible", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events, conditions or results "will", "may", "could", "would", "should", "might" or "will be taken", "will occur" or "will be achieved" or the negative connotations thereof and similar expressions) are not statements of historical fact and may be forward-looking statements. All statements other than statements of historical fact may be forward-looking statements. Forward-looking information is necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: risks and uncertainties relating to, among other things, cost estimates, currency fluctuation, financings, infrastructure, cost overruns, availability of materials and equipment, timeliness of government approvals, taxation, political risk and related economic risk and unanticipated environmental impact on operations as well as other risks, and uncertainties and other factors, including, without limitation, those referred to in the "Financial Instruments and Financial Risks" section of the MD&A, and elsewhere, which may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information. The Company believes that the expectations reflected in the forward-looking statements and information included in this MD&A are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements and information should not be unduly relied upon. This statement and information is as of the date of the MD&A. Forward-looking information is based on certain assumptions that the Company believes are reasonable, that the general business and economic conditions will not change in a material adverse manner, that financing will be available if and when needed on reasonable terms and that the Company will not experience any material labour dispute, accident, or failure of plant or equipment. These factors are not, and should not be construed as being, exhaustive. Although the Company has attempted to identify important factors that would cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated, or intended. There can be no assurance that such statements will prove to be accurate, as the Company's actual results and future events could differ materially from those anticipated in such statements, as a result of the factors discussed in the "Financial Instruments and Financial Risks" section of the MD&A, and elsewhere, which is available under the Company's profile on SEDAR+ at www.sedarplus.ca. All of the forward-looking information contained in this document is qualified by these cautionary statements. Readers are cautioned not to place undue reliance on forward-looking information due to the inherent uncertainty thereof.