WPD Pharmaceuticals Inc.

Management's Discussion & Analysis

For the Three Months Ended March 31, 2023 and 2022

(Expressed in Canadian Dollars)

This Management's Discussion and Analysis ("MD&A") provides relevant information on the operations and financial results of WPD Pharmaceuticals Inc. ("WPD" or the "Company") for the three months ended March 31, 2023 and 2022.

Except for historical information, this MD&A includes forward-looking statements which are subject to risks and uncertainties. See – "*Cautionary Note Regarding Forward-Looking Information*". Actual results may differ materially from those in such forward-looking statements. The Company assumes no obligation to update its forward-looking statements to reflect results, changes in assumptions or changes in other factors affecting such statements.

The following discussion is Management's assessment and analysis of the results of operations and financial conditions of the Company and should be read in conjunction with the Company's unaudited condensed interim financial statements and related notes thereto for the three months ended March 31, 2023 and the Company's audited consolidated financial statements and related notes thereto for the year ended December 31, 2022 both of which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and can be found on SEDAR+ at www.sedarplus.ca.

This MD&A is based on information available up to January 30, 2024 the date on which it was prepared and approved by the Board of Directors. All dollar figures stated herein are expressed in Canadian dollars except unless otherwise specified.

Lack of meaningful comparability

On November 25, 2022, the Company operated its business primarily through WPD Pharmaceuticals Sp. z o.o. ("WPD Poland"), the operating branch of the Company and a subsidiary until November 25, 2022. After district court for the city of Warsaw, Poland on November 25, 2022, registered an increase in the share capital at WPD Poland, Houston Pharmaceuticals Inc. ("HPI") and the Company owned 80.95% and 19.05% of WPD Poland's share capital respectively. The

As a consequence of the deconsolidation, the Company was determined to have lost control of the previously consolidated subsidiary WPD Poland on November 25, 2022 and has been deconsolidated accordingly effective that date. The principal activities of WPD Poland are in biotechnology research and development. The expenses and cash flows of WPD Poland for periods prior to November 25, 2022, as set out in the Statements of Loss and Comprehensive Loss, and Statements of Cash Flows, are included and presented on a consolidated basis. The statements essentially represents consolidated entity for the three months ended March 31, 2022 and only the Company for the three months ended March 31, 2023.

Accordingly, management does not believe users of this document are likely to derive much useful information or insight in any analysis of changes from the three months ended March 31, 2023 and 2022. As a result, the Company has not included analysis on results of operations for the three months ended March 31, 2023.

Narrative Description of the Business

WPD is a biotechnology research and development company with a focus on oncology, namely research and development of medicinal products involving biological compounds and small molecules.

Operational Update

On May 6, 2022, the Company received approval from the BCSC for a temporary MCTO under National Policy 12-203 – Management Cease Trade Orders ("NP 12-203"), which prohibits trading in securities of the Company by certain insiders of the Company, whether direct or indirect. The Company required the MCTO as it was unable to file its Annual Filings for the year ended December 31, 2021 within the deadline as required under National Instrument 51-102 – Continuous Disclosure Obligations ("NI 51-102"). The MCTO is not expected to have any effect on trading in the Company's shares by the public.

On July 22, 2022, the Company received an order from the BCSC for a temporary cease trade order ("CTO"), which prohibits trading in securities of the Company, whether direct or indirect, due to the Company's failure to file audited and interim financial statements, management's discussion and analysis on the financial statements, and related certifications (together, the "Continuous Disclosure Documents") for the year ended December 31, 2022 within the deadline as required under National Instrument 51-102 – Continuous Disclosure Obligations ("NI 51-102"). Subsequently, on May 1, 2023, the BCSC issued an order partially revoking the CTO permitting the Company to complete a convertible debenture offering.

On May 1, 2023, BCSC issued an order partially revoking the CTO, which was issued against the Company on July 22, 2022 due to the Company's failure to file the Continuous Disclosure Documents. The partial revocation order permitted the Company to complete convertible debenture offering.

On June 2, 2023, the Company closed a convertible debenture offering through private placement of unsecured convertible debentures (the "Debentures") pursuant to which the Company raised an aggregate principal amount of $300,000. Each Debenture is convertible into units of the Company at a conversion price of $0.05 per unit. Each unit will consist of one common share and one share purchase warrant exercisable to purchase one additional common share at a price of $0.05 for three years from the date of issuance of the unit. The Debentures bear interest at the rate of 18% per annum compounded monthly until maturity and after default. The Debentures will mature on June 2, 2026. The proceeds of this offering will be used to complete and file the outstanding Continuous Disclosure Documents, to pay legal fees, filing fees and certain accounts payable, and for general working capital. The Company may pay finder's fees in cash in connection with this private placement.

On January 26, 2024, the Company filed its audited consolidated financial statements for the years ended December 31, 2022 and 2021.

Summary of Quarterly Information

Below is selected financial information from continuing operations for the most recent eight quarters. The quarterly results presented in the table below were prepared in accordance with IFRS.

Quarter ended	Comprehensive income (loss)	Income (loss) per share
	$	$
31-Mar-23	(37,969)	(0.00)
31-Dec-22	5,547,603	0.05
30-Sep-22	(778,584)	(0.01)
30-Jun-22	(650,136)	(0.01)
31-Mar-22	(583,409)	(0.01)
31-Dec-21	(2,077,425)	(0.02)
30-Sep-21	(945,056)	(0.01)
30-Jun-21	(1,152,276)	(0.01)

Results of Operations

Lack of meaningful comparability

On November 25, 2022, the Company deconsolidated its wholly owned subsidiary WPD Poland due to WPD Poland raising capital directly from HPI and the Company's share of ownership in WPD Poland coming down from 100% to 19.05% as set out in Note 7 of the Company's audited consolidated financial statements for the years ended December 31, 2022 and 2021. Accordingly, Management does not believe users of this document are likely to derive much useful information or insight in any analysis of changes from the three months ended March 31, 2023 and 2022. See – "Lack of meaningful comparability" above. As a result, the Company has not included analysis on results of operations for this period.

Three months ended March 31, 2023 and 2022

For the three months ended March 31, 2023, the Company reported a comprehensive loss of $37,969 compared to a comprehensive loss of $583,409 for the same period in 2022, a decrease in loss of $545,440, which was primarily attributable to period covered in 2022 for WPD Poland that was deconsolidated as of November 25, 2022.

For the three months ended March 31, 2023, the Company reported a comprehensive loss of $37,969, which was primarily attributable to the following:

(i) $30,030 of professional fees for audit, legal and accounting services provided in the current period;
(ii) $1,222 of administration and supplies and $6,717 of regulatory and transfer agent fees

Liquidity and Capital Resources

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

As at March 31, 2023, the Company had a working capital deficit of $496,761 (December 31, 2022 – $478,792) inclusive of cash of $23,018 (December 31, 2022 – cash of $23,794).

Although the Company has previously been successful in raising the funds required for its operations, there can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

On June 2, 2023, the Company announced the closing of private placement of Debentures pursuant to which the Company raised an aggregate principal amount of $300,000. Each Debenture is convertible into units of the Company at a conversion price of $0.05 per unit. Each unit will consist of one common share and one share purchase warrant exercisable to purchase one additional common share at a price of $0.05 for three years from the date of issuance of the unit. The Debentures bear interest at the rate of 18% per annum compounded monthly until maturity and after default. The Debentures will mature on June 2, 2026.

Summary of Outstanding Share Data

As at March 31, 2023 and the date of this report, the Company had 113,438,244 common shares, 3,390,000 stock options and nil warrants issued and outstanding.

Off-Balance Sheet Arrangements

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

Related Party Transactions

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Board and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

As at March 31, 2023, $214,432 (December 31, 2022 – $214,432) payable to former and current key management personnel and other related parties are included in accounts payable and accrued liabilities. As at March 31, 2023, the Company has $16,177 (December 31, 2022 - $16,177) owing to WPD Poland, a former subsidiary.

During the three months ended March 31, 2023 and 2022, the Company also had the following transactions with related parties:

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Consultants	$ -	$ 7,971
Salaries	-	18,437
Management and consulting fees	-	30,900
Director fees	-	4,500
	$ -	**$ 61,808**

Proposed Transactions

As of March 31, 2023, the Company did not have any proposed transactions.

Critical Accounting Estimates and Judgments

The preparation of this MD&A is based on critical accounting estimates and judgments consistent with those used in the preparation of the condensed interim financial statement for the three months ended March 31, 2023 and 2022. For further information, see Note 2 of the Company's audited consolidated financial statements for the years ended December 31, 2022 and 2021.

Accounting Policies

The preparation of this MD&A is based on accounting principles and practices consistent with those used in the preparation of the audited annual consolidated financial statements for the years ended December 31, 2022 and 2021. For further information, see Note 3 of the Company's audited annual consolidated financial statements for the years ended December 31, 2022 and 2021.

Financial Instruments and Other Instruments

Fair Value of Financial Instruments

The Company's financial instruments consist of cash, receivables, accounts payables and loan payable. The carrying values of cash, receivables, accounts payable approximate their fair values because of their short-term nature and/or the existence of market related interest rates on the instruments. These estimates are subjective and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Financial instruments measured at fair value are classified into one of the 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 hierarchy are:

Level 1: Quoted prices in active markets for identical assets or liabilities.
Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Financial Instruments Risk
The Company is exposed in varying degrees to a variety of financial instrument-related risks. The Board approves and monitors the risk management processes:

(i) Credit Risk
Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company limits its exposure to credit loss for cash by placing its cash with high quality financial institutions. The credit risk for cash is considered negligible since the counterparties are reputable banks with high quality external credit ratings.

(ii) 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.

(iii) Interest Rate Risk
Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. There are no interest-bearing financial instruments in the Company, and as such, the Company is not exposed to significant interest rate risk.

(iv) Tax Risk
The Company is subject to various taxes including, but not limited to the following: income tax and goods and services tax. The Company's tax filings will be subject to audit by various taxation authorities. While the Company intends to base its tax filings and compliance on the advice of its tax advisors, there can be no assurance that its tax filing positions will never be challenged by a relevant taxation authority resulting in a greater than anticipated tax liability.

(v) Foreign Exchange Risk
The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

Capital Management

The Company's capital structure consists of cash and share capital. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company. 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 sustain future development of the business. In order to carry out the planned activities and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. 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 since inception. The Company is subject to externally imposed capital requirements.

Additional Information

Additional information relating to WPD Pharmaceuticals Inc. can be accessed under the Company's public filings found at www.sedarplus.ca.

Risk Factors - General

Limited Operating History

The Company is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

Liquidity and Future Financing Risk

The Company will likely operate at a loss until its business becomes established and it will require additional financing in order to fund future operations and expansion plans. The Company's ability to secure any required financing to sustain operations and expansion plans will depend in part upon prevailing capital market conditions and business success. There can be no assurance that the Company will be successful in its efforts to secure any additional financing. Moreover, future activities may require the Company to alter its capitalization significantly and, if additional financing is raised by issuance of additional shares of the Company from treasury, control may change and shareholders will suffer dilution. The inability of the Company to access sufficient capital for its operations could have a material adverse effect on the Company's financial condition and results of operations.

Risk Factors - Related to the Company's Business and Operations

The preparation of this MD&A is based on 'Risk Factors – Related to the Company's Business and Operations' consistent with those used in the preparation of the MD&A for the years ended December 31, 2022 and 2021. For further information, see the section titled 'Risk Factors – Related to the Company's Business and Operations' of the Company's MD&A for the years ended December 31, 2022 and 2021.

Internal Controls

Effective internal controls are necessary for the Company to provide reliable financial reports and to help prevent fraud. Although the Company will undertake a number of procedures and will implement a number of safeguards, in each case, in order to help ensure the reliability of its financial reports, including those imposed on the Company under Canadian securities law, the Company cannot be certain that such measures will ensure that the Company will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's results of operations or cause it to fail to meet its reporting obligations. If the Company or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Company's condensed interim financial statements and materially adversely affect the trading price of the Company Shares. Management of the Company will ensure the accounting cycle, payroll administration, operational activities, and financial reporting controls to assess internal control risks and to ensure proper internal control is in place. One of the deficiencies in internal control is the lack of segregation of accounting duties due to the limited size of WPD. However, the threat of this deficiency is considered immaterial as management has taken effective measures to mitigate this weakness.

The potential risk that flows from the identified deficiencies and weaknesses is the risk of potential fraud. However, the risk of fraud is considered low as management has taken measures as stated above to mitigate the potential risk of fraud. Management anticipates taking the following measures to mitigate this weakness: (i) all purchase and payment, including payroll, must be authorized by management; (ii) all capital expenditures must be preapproved by the Board; (iii) and almost all of the Company's cash outside of grants received from the Polish government will be deposited with a Canadian bank in Vancouver, Canada. Bank statements of WPD will be reviewed by the CFO of the Company regularly.

Management will continue to monitor the operations of WPD, evaluate the internal controls, and develop measures in the future to mitigate any potential risks and weaknesses.

Conflicts of Interest

Certain of the directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including other pharmaceutical or biotechnological companies) and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest. The BCBCA provides that in the event that a director or senior officer has a material interest in a contract or proposed contract or agreement that is material to an issuer, the director or senior officer must disclose his interest in such contract or agreement and a director must refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA.

Forward Looking Statements

The information provided in this MD&A, including information incorporated by reference, may contain "forward-looking statements" or "forward-looking information" (collectively referred to hereafter as "**forward looking statements**") about the Company.

All statements, other than statements of historical fact, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, the Company's proposed business objectives and plans relating to biotechnology research and development of medicinal products involving biological compounds and small molecules. These statements speak only as of the date they are made and are based on information currently available and on the then current expectations of the Company and assumptions concerning future events, which are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from that which was expressed or implied by such forward-looking statements. See "*Risk Factors*".