NEVIS BRANDS INC. (Formerly Pascal Biosciences Inc.)
1900 Airport Way S, Suite 201, Seattle, WA 98134
Form 51-102F1

Management's Discussion & Analysis of Financial Condition and Results of Operations for the Year Ended November 30, 2023

Date: March 21, 2024

Management's Discussion and Analysis

The following management's discussion and analysis (MD&A) of the financial information of Nevis Brands Inc. (formerly Pascal Biosciences Inc.) (the "Company") and results of operations should be read in conjunction with the Company's audited consolidated financial statements for the year ended November 30, 2023. These documents are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to future performance. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and include the operating results of the Company.

This MD&A was reviewed by the Audit Committee and subsequently approved and authorized for issue by the Board of Directors on March 21, 2024. The information contained within this MD&A is current to March 21, 2024.

The Company's critical accounting estimates, significant accounting policies and risk factors have remained substantially unchanged and are still applicable to the Company unless otherwise indicated. All amounts are expressed in Canadian Dollars unless noted otherwise.

Forward-Looking Statements

This MD&A contains forward-looking statements within the meaning of applicable securities laws. All statements contained herein that are not clearly historical in nature are forward-looking, and the words "may", "might", "will", "expect", "anticipate", "estimate", "intend", "plan", "indicate", "seek", "believe" "predict" or "likely" or words of a similar nature are generally intended to identify forward-looking statements. The Company has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes might affect its financial condition, results of operations, business strategy, and financial needs. Forward-looking statements in this MD&A include, but are not limited to, statements relating to:

- The Company's expectation that the funds available and/or revenues derived from its operations will be sufficient to cover its expenses over the next 12 months;
- The success of the Company's business activities and programs;
- The timing and amount of future plans, costs of production, capital expenditures, and costs and timing of the development of the Company's business;
- The estimates of expected or anticipated economic returns in relation to development of the Company's business;
- Projections of market prices and costs for the Licensed Products;
- U.S. federal and state regulation of recreational cannabis;
- Requirements for additional capital and the Company's expectations regarding its ability to raise capital;
- The Company's plans and expectations for the Licensed Products;
- The intention to retain Licenses, brands, and Trademarks;
- Statements relating to the business and future activities of, and developments related to the Company to the date of this Listing Statement and thereafter;

- Timing and costs associated with completing the manufacture and delivery of the bottles, tops, labels, and shipping boxes used for the Licensed Products; and

- The Company's expected business objectives for the next 12 months.

All forward-looking statements reflect the Company's beliefs and assumptions based on information available at the time the assumption was made. These forward-looking statements are not based on historical facts but rather on management's expectations regarding future activities, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities.

By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, known and unknown, that contribute to the possibility that the predictions, forecasts, projections or other forward-looking statements will not occur. In evaluating forward-looking statements, readers should specifically consider various factors, including the risks outlined under the heading "Risk Factors" in this MD&A. Some of these risks and assumptions include, among others:

- The limited operating history of THC Essentials and no assurance of continuing profitability;

- Uncertainty about the Company's ability to continue as a going concern;

- The Company's actual financial position and results of operations may differ materially from the expectations of the Company's management;

- The Company may not be able to secure additional financing for current and future operations and capital projects;

- Inherent uncertainties and risks associated with the Licensed Products;

- The possibility that future results will not be consistent with the Company's expectations;

- The risk that the brands and Trademarks that support the Licensed Products could be challenged;

- Risks related to the Company's ability to attract and retain qualified personnel, including the ability to keep essential operational staff in place as a result of COVID-19;

- Uncertainties related to global financial and economic conditions and the impact of market reaction to the COVID-19 pandemic, including potential disruptions to the manufacture, marketing, and sales of the Licensed Products;

- Risks associated with the Licensed Products being subject to change by U.S. state regulations;

- Competition for, among other things, capital acquisitions of resources and skilled personnel;

- Uninsured risks and hazards;

- Risks associated with potential conflicts of interest of the Company's executive officers and directors;

- The market price for Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control;

- Changes in market dynamics, including business relationships and competition;

- The safety, efficacy, and quality of the Licensed Products and the consumer perception thereof;

- Conflicts with third parties to manufacture, develop, distribute, and sell the Licensed Products;

- Recall of the Licensed Products; and

- Negative cash flow from the Company's operations

Although the forward-looking statements contained in this MD&A are based upon what management believes to be reasonable assumptions, we cannot assure readers that actual results will be consistent with these forward-looking statements. Any forward-looking statements represent estimates only as of the date of this MD&A and should not be relied upon as representing estimates as of any subsequent date. The Company undertakes no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events, except as may be required by securities legislation.

Overview

The Company was incorporated on January 28, 2011 pursuant to the *Business Corporations Act* (British Columbia). On May 24, 2013, the Company acquired all the issued and outstanding shares of bioMmune Advanced Technologies Inc. ("BAT"), a private company (incorporated on July 5, 2012) formed to commercially exploit a number of patents and patent applications that surround three technologies. On March 27, 2017, the Company incorporated a wholly owned subsidiary in Seattle, Washington, named Nevis Brands, Inc. USA (formerly Pascal Biosciences US, Inc.) ("Nevis (US)"), a Tier 2 Biotechnology Issuer targeting therapies for serious diseases. Nevis was developing treatments for cancer with targeted therapies for glioblastoma and acute lymphoblastic leukaemia. In addition, the Company was developing cannabinoid-based therapeutics for application to control cancer and COVID-19. The Company traded on the TSXV Exchange under the trading symbol "PAS". On June 12, 2023, the Company changed its name from Pascal Biosciences Inc. to Nevis Brands Inc. On July 6, 2023, the Company de-listed from the Exchange and listed on the Canadian Securities Exchange ("CSE") upon receiving approval under the trading symbol "NEVI". On August 14, 2023, the Company became listed on the Frankfurt Stock Exchange under the trading symbol "8DZ".

Additional information relating to the Company can be found on the SEDAR website at www.sedar.com.

Acquisition of THC Essentials Assets

On February 11, 2023, the Company signed an asset purchase agreement (the "Agreement") with SōRSE to acquire from SōRSE the assets comprising THC Essentials, as amended March 31, 2023, April 2, 2023, April 26, 2023, May 29, 2023 and June 8, 2023. Closing must be on or before June 30, 2023 (the "Closing Date") and the Company's shares must be listed on the CSE (the "Listing Date").

The purchase price of US$1,125,000 was paid as follows: (i) a secured promissory note of US$500,000, bearing interest at 7.5% per annum due on July 31, 2024, (ii) an aggregate of 3,775,000 post-consolidation shares, and (iii) US$625,000 payable on the Closing Date.

The closing occurred on June 30, 2023, whereby a reorganization occurred. The reorganization included, inter alia, closing both a private placement of $2,000,000 and the acquisition of THC Essentials, issuing 1,246,372 shares for debt, the appointment of a new CEO, a change of directors, a name change, a share consolidation on the basis of one new share for five old shares and listing on the CSE. The share consolidation occurred on June 12, 2023.

The acquisition of THC Essentials assets did not meet the definition of a business under IFRS 3 Business Combinations and has been accounted for as an asset acquisition in these condensed interim consolidated financial statements. On the acquisition date, June 30, 2023, the Company has allocated the purchase price of the acquisition to the assets acquired as follows:

Purchase Price	**$**
Cash payment	827,693
Common shares issued	283,125
Promissory note	662,000
Transaction costs	122,128
	1,894,946
Net assets acquired	
Inventory	222,159
Equipment	21,185
Intangible assets – Customer relationship	695,180
Intangible assets- Trademarks	956,422
Total	1,894,946

THC Essentials Operations

On June 30th, the Company acquired the assets of THC Essentials, including trademarks Major, Happy Apple, Pearl, Utopia, Atomic Apple, Vertus, Velvet Swing, and Velvet Kiss; (ii) product formulas, designs, and recipes sold under the trademarks and brands; (iii) assignment of all licenses and royalty agreements and associated royalty revenue from the sale of beverages by licensees in Washington, Oregon, California, Arizona, Colorado, and Ohio; and (iv) all remaining inventory and equipment.

The Nevis THC Essentials business model is "asset-light" and remains focused on the licensing of its trademarks to established licensed partners in each legal cannabis state, which use the THC Essentials recipes and formulas and the Emulsion Technology in the Licensed Products. The Company forms partnerships with production and distribution partners in licensed facilities to support the business in each state and typically collects a royalty of 15-25% of sales. Nevis is the owner of each Product formula and brand trademark.

Partners typically sell the Licensed Products at wholesale for US$5 to US$8, with THC Essentials collecting US$1.50 to US$2.00 per unit. While THC Essentials assists partners with initial production, package design, and co-marketing, sales and distribution are handled by the licensed partners along with subsequent production.

As of November 30, 2023, Nevis has licensed beverage manufacturers / Licensees in six states. As of the date of this document, Nevis has licensed beverage manufacturers / Licensees in nine states. Under the Licenses, the Licensee is responsible for all production, operations, and marketing. THC Essentials is responsible for the provision of bottles, labels, and flavours, the collection of revenues from its partners, and investing in certain marketing it deems strategically advantageous.

The Company currently has two full-time employees: the CEO and the Director of Operations.

Since acquiring the assets of THC Essentials and Major, Nevis has focused on the following:

1. Review and optimization of operations. The Company established relations with current licensees and undertook a marketing, business operations and production review of all markets. The Company launched new marketing programs including increased engagement with retailers and budtenders in Washington that resulted in increased sales. In addition, the Company developed a comprehensive merchandising program for all markets to use to increase the exposure of Major at the retail level.

2. Negotiation of improved pricing relating to cost of goods sold: Acquiring the bottles, labels and caps for Nevis partners is a significant portion of the cost of goods sold for Nevis. Since acquiring the business, the Company secured a new vendor for bottles which will reduce COGS by up to 20% and also secured additional vendors for labels. The Company anticipates the reduction in COGS and corresponding increase in gross margin percentage to be reflected in the fiscal 2024 financial statements.

3. Launch of Nevada Market: The company secured a Nevada licensee in August 2024 and began production of Major in October 2024. The Company has since secured retail sales by over 10 retailers and continues to develop additional retailers. The Company began generating revenues in Nevada in December 2024.

4. Entry in California market: The Company secured a new licensee in California for production of Major in October 2023 for production of Major in 2024. The Company signed a licensing agreement with Blaze Life holdings based in Sherman Oaks, California and will produce all five flavours of Major and manage sales and distribution of the products.

5. The Company entered into negotiation with Michigan and Missouri partnerships (which were ultimately executed in December and January 2024, respectively). Under these agreements, Major will be delivered to market in 2024 subject to regulatory requirements and approvals.

6. Product Expansion: The Company filed for additional products to be launched in Ohio and Washington. These products are at various stages of approval and production and will be announced upon being delivered to market. The Company is expanding the Major product line to include additional flavours of shots as well as a new edible format.

7. Product Development: The Company successfully developed 6 new flavours of Major and has also developed a new cannabis gummy to be branded as part of the Major family. The Company is in various stages of approval on these products and will be introduced as they are approved in 2024. Subsequent to November 30, 2023, the Company has received approval for the introduction of Major gummies in the Washington and Oregon markets.

8. Investor Relations: The Company engaged various investor relations services as well as a market marker to generate awareness of the Company's initiatives.

9. The Company has filed to become an issuer on the OTCQB and received approval on February 15, 2024. Management believes that approval of the listing will enhance the Company's availability to US-based investors.

10. Existing Pascal Patents: In June of 2023, Pascal returned patents to their original owners with the exception of its CBD-Covid 19 patent which is currently for sale. The Company has had limited discussions with potential purchasers of the intellectual property.

Overall Performance

Research and Development

In March 2017, Nevis (US), Inc. began operating a research and development lab in Seattle, Washington.

To contribute to research efforts during the coronavirus pandemic, Nevis scientists searched for compounds, including cannabinoids, that have activity against SARS-CoV-2 in cell-based assays.

On July 14, 2020, the Company announced that it has discovered certain cannabinoids that block replication of SARS-CoV-2, the coronavirus that causes COVID-19. The best cannabinoid tested had potency similar to that of remdesivir, an approved drug from Gilead that decreases recovery time for COVID-19 patients.

On September 14, 2020, the Company and SōRSE Technology Corporation ("SōRSE") announced that they entered into a Collaborative Research Agreement (the "Agreement") to advance Nevis' PAS-393, an immune-stimulating cannabinoid for cancer treatment, into clinical testing. Under the Agreement, Nevis and SōRSE shared their respective technologies to optimize both the cannabinoid and its formulation, aiming ultimately to test PAS-393 in cancer patients treated with checkpoint inhibitors. This partnership leveraged SōRSE's industry-leading formulation technology with Nevis' proprietary cannabinoid molecule for testing in clinical trials. The Agreement was anchored by Nevis' intellectual property which covers the use of cannabinoids in cancer patients treated with checkpoint inhibitors. SōRSE provided US $650,000 in research funding to Nevis throughout the 15-month collaboration and paid for related research expenditures, which was applied against salaries. The relative success of this agreement caused the Company to consider an increased focus on collaborative and contract research to offset the cost of internal programs.

On September 22, 2020, the Company confirmed that certain cannabinoids block SARS-CoV-2 replication in two different assays and subsequently demonstrated the effect in two additional *in vitro* models of infection. Nevis believed it was the first to identify a cannabinoid that directly inhibits replication of the virus and applied for patent protection for this unique discovery. Subsequent searches of recent patent applications confirmed Nevis was the first to file for this discovery. The data suggest that a Nevis-identified cannabinoid has the potential to limit the severity and progression of COVID-19.

On March 18, 2021, the Company was awarded a grant of US$321,406 from the National Cancer Institute of the US National Institutes of Health (NIH). This two-year award has funded development of Nevis' antibody drug for B cell Precursor Acute Lymphoblastic Leukaemia (ALL), which is the most common childhood leukaemia.

On February 11, 2023, the Company signed an asset purchase agreement (the "Agreement") with SōRSE to acquire from SōRSE the assets comprising THC Essentials, as amended March 31, 2023, April 2, 2023, April 26, 2023, May 29, 2023 and June 8, 2023. Closing must be on or before June 30, 2023 (the "Closing Date") and the Company's shares must be listed on the CSE (the "Listing Date'). The purchase price of US$1,125,000 will be paid as follows: (i) a secured promissory note of US$500,000, bearing interest at 7.5% per annum due on July 31, 2024, (ii) an aggregate of the greater of 3,775,000 post-consolidation shares and 9.9% of the number of post-consolidation shares Nevis has issued and outstanding on the Closing Date, and (iii) US$625,000 payable on the Closing Date.

The closing occurred on June 30, 2023, whereby a reorganization occurred. The reorganization included, inter alia, closing both a private placement of $2,000,000 and the acquisition of THC Essentials, issuing 1,246,372 shares for debt, the appointment of a new CEO and a change of directors, a name change and a share consolidation on the basis of one new share for five old shares and listing on the CSE. The share consolidation occurred on June 12, 2023.

During the year ended November 30, 2023, the Company closed down its research labs and stopped its research and development activities related to cancer programs. The Company evaluated the change in their business in accordance with IFRS

5, *Non-current Assets Held for Sale and Discontinued Operations*, and determined that it did not meet the definition of discontinued operations as it did not represent a separate major line of business.

Please refer to "*Core Technologies*" below for updates on the Company's research and development.

Share Capital

On January 4, 2022, the Company issued 100,000 common shares, with a fair value of $46,000 to the former CEO, Rob Gietl, per his employment agreement in lieu of two months' worth of salary. The fair value of $46,000 was recorded as shares to be issued in lieu of salary as at November 30, 2021.

On February 28, 2022, the Company granted 100,000 stock options to the former CEO, Brian Bapty. The stock options are exercisable at a price of $0.40 per share, for a period of five years and will vest quarterly over one year. The fair value of the stock options was estimated using the Black-Scholes option-pricing model with the following weighted average assumptions: risk-free interest rate of 1.73%, expected dividend rate of 0%, expected volatility of 94.02%, and forfeiture rate of 0%. The fair value of the options was calculated at $28,772.

On June 30, 2023, the Company issued 1,246,372 common shares to settle debt of $593,049. The shares were valued at $93,478, which resulted in a gain on debt settlement of $499,571.

On June 30, 2023, the Company issued 3,775,000 common shares pursuant to the acquisition of THC Essentials assets.

On June 30, 2023, the Company issued 15,195,000 units as a price of $0.10 per unit for gross proceeds of $1,519,500. Each unit consists of one common share and one-half share purchase warrant. Each whole warrant will entitle the holder to acquire one common share of the Company at an exercise price of $0.20 for a period of one year following the closing date. The Company allocated $379,875 of the gross proceeds to warrant reserve using the residual value method. The Company paid a finder's fee of $74,550 and issued 532,500 finders' warrants on the same terms as the private placement warrants. The finders' warrants were valued at $2,080 using the Black-Scholes pricing model with the following assumptions: risk-free interest rate of 4.47%, expected dividend rate of 0%, expected volatility of 72.81%, and forfeiture rate of 0%.

On July 6, 2023, the Company issued 4,805,000 units at a price of $0.10 per unit for gross proceeds of $480,500. Each unit consists of one common share and one-half share purchase warrant. Each whole warrant will entitle the holder to acquire one common share of the Company at an exercise price of $0.20 for a period of one year following the closing date. The Company paid a finder's fee of $32,235 and issued 230,250 finders' warrants on the same terms as the private placement warrants. The finders' warrants were valued at $13,121 using the Black-Scholes pricing model with the following assumptions: risk-free interest rate of 4.70%, expected dividend rate of 0%, expected volatility of 68.42%, and forfeiture rate of 0%. The Company also incurred cash share issuance costs of $5,119.

On July 6, 2023, the Company granted 2,240,000 stock options to directors. The stock options are exercisable at a price of $0.10 per share, for a period of ten years and vest immediately. The fair value of the stock options was estimated using the Black-Scholes option-pricing model with the following assumptions: risk-free interest rate of 3.42%, expected dividend rate of 0%, expected volatility of 87.05%, and forfeiture rate of 0%. The fair value of the options was calculated at $404,845.

During the year ended November 30, 2023, 855,000 stock options, with a weighted average exercise price of $0.71 per share expired and 1,500,000 warrants, with a weighted average exercise price of $0.75 per share expired unexercised.

Management

On June 16, 2021, the Company announced the appointment of Hardy Forzley as Chief Financial Officer of the Company.

On September 7, 2021, the Company announced the appointment of Rob Gietl as Chief Executive Officer, President and Director. Mr. Gietl succeeded Dr. Patrick Gray, who became Chairman of the Board of Directors.

On February 8, 2022, the Company received a Notice of Civil Claim against the Company from Rob Gietl, a former officer of the Company for damages due to a breach of contract and wrongful termination. The claim against the Company is for 100,000 common shares of the Company to be issued to the former officer, punitive damages, interest and costs. The 100,000 common shares were issued during the year ended November 30, 2022.

On February 28, 2022, the Company appointed Dr. Brian Bapty as its new Chief Executive Officer, President and Director.

On March 21, 2022, the Company entered into a settlement agreement with an arm's length party to settle debt of $116,550 for $30,000 in cash, resulting in a gain on debt settlement of $86,550.

On November 30, 2022, Dr. Brian Bapty ceased to be Chief Executive Officer, President and Director and Dr. Patrick Gray was appointed interim Chief Executive Officer and President.

On November 30, 2022, the Company entered into a settlement agreement with an arm's length party to settle debt of $53,136 for $42,171 in cash, resulting in a gain on debt settlement of $10,965.

On June 12, 2023, Dr. Patrick Gray ceased to be Chief Executive Officer and President, and John Kueber was appointed Chief Executive Officer and President. Dr. Patrick Gray continued his duties as Director.

On June 12, 2023, Thomas Gadek, Michael Shepherd and Terry Pearson resigned as directors and John Kueber, John Bell and Vahan Ajamian were appointed directors.

Financial Position

The audited consolidated statement of financial position as of November 30, 2023 indicates a cash position of $418,524 (2022: $8,370). Current assets are comprised of prepaid expenses and deposits of $8,015 (2022: $3,245), accounts receivable of $206,839 (2022: $7,208) and inventory of $248,269 (2022: $nil).

Current liabilities at November 30, 2023 total $1,119,072 (2022: $851,203), comprised of accounts payable and accrued liabilities of $336,092 (2022: $626,586), short-term loans due to related parties of $99,707 (2022: $224,617) and promissory note of $683,273 (2022: $nil). Non-current liabilities at November 30, 2023 are comprised of long-term accounts payable of $nil (2022: $111,725).

Shareholders' equity is comprised of share capital of $14,921,723 (2022: $13,052,100), reserves of $822,805 (2022: $424,152) and other comprehensive income of $48,911 (2022: $nil).

As at November 30, 2023, the Company had a working capital deficit of $237,425 (2022: $832,380).

The weighted average number of common shares outstanding, basic and diluted as at November 30, 2023 was 23,528,379 (2022: 13,109,365).

Nevis' Previous Core Technologies

1. **Cannabinoid-based therapeutic for glioblastoma:** Nevis was developing PAS-403 for the treatment of glioblastoma. This program was initially licensed from the University of Washington. Nevis developed a manufacturing process for PAS-403 and completed much of the preclinical pharmacology efforts required for filing an Investigational New Drug with the FDA. The PAS-403 technology was returned to the University of Washington in Q1 2023.

2. **VpreB antibody for the treatment of B cell precursor acute lymphoblastic leukaemia (ALL) and other leukaemias and lymphomas:**
   Nevis discovered a monoclonal antibody for the treatment of ALL, the most common childhood cancer. The Company was awarded a grant of US$321,406 from the National Cancer Institute of the US National Institutes of Health (NIH). This two-year award funded development of Nevis' antibody drug for ALL. Nevis' scientists determined their antibody had only limited potential for treating ALL, so the project was discontinued at the end of 2022.

3. **Novel natural compounds that are able to increase antigen expression on the surface of tumour cells, making them more visible to the immune system**. These molecules may be useful as cancer therapeutics by enabling increased killing of cancer cells by the immune system.

   Nevis scientists identified a natural cannabinoid, PAS-393, as a potential therapeutic compound that may render cancer cells more visible to immune surveillance. Such a molecule has the potential to increase cancer cell recognition, thus dramatically increasing the efficacy of checkpoint inhibitors (therapeutic monoclonal antibodies) which release the cancer killing effects of cytolytic T cells. This technology was part of a collaboration and has been returned to the University of British Columbia.

4. **Cannabinoid therapeutic for treating COVID-19:** The coronavirus pandemic has triggered a massive, worldwide effort to develop effective vaccines and treatments for COVID-19. Despite the previous global focus on cancer research and treatment,

the tremendous disruption of entire economies and health care systems worldwide stimulated Nevis' scientists to direct efforts towards a cannabinoid-based treatment for COVID-19.

The decision was made to test a variety of cannabinoids for effects on the SARS-CoV-2 coronavirus since previously published data suggest that some cannabinoids have anti-viral functions. In addition, it has been shown that cannabinoids can upregulate major histocompatibility complex Type 1 (MHC-I) molecules that are expressed on the surface of tumour cells. As has been demonstrated in several infection models, this MHC upregulation also helps the immune system identify virus-infected cells. It has been observed that cannabis extracts downregulate the expression of receptors for the SARS-CoV-2 virus. Furthermore, some cannabinoids have immunomodulatory activity that can mitigate the uncontrolled inflammatory response known as a "cytokine storm" and subsequent upregulation of inflammatory proteins, which are often seen in the most severe COVID-19 patients.

Since cannabinoids have the potential to limit the severity and progression of COVID-19, selected compounds were tested in a cell-based assay. It was found that one of Nevis' lead cannabinoids inhibits SARS-CoV-2 growth in primate cells *in vitro*. Nevis has since confirmed this SARS-CoV-2 anti-viral activity in four different laboratories, using different assay conditions and different strains of SARS-CoV-2. Significantly, the potency of the Nevis-selected cannabinoid in this assay was similar to that of remdesivir, a drug authorized by the FDA for emergency treatment of COVID-19. These initial observations illuminate the potential of cannabinoids for the treatment of COVID-19.

Our initial results suggest that cannabinoids may act upon the virus or the virus-infected host cells cell to reduce virus infectivity or viral replication. However, it is likely that the scope of the benefit to the patient will extend far beyond the direct effect on the virus-cell interaction. The capacity of certain cannabinoids to restore cancer cell recognition by the immune system has been previously demonstrated. Many viruses, as with certain cancers, render their host cells invisible to immune recognition to protect them from destruction and removal. Cannabinoids may reverse this effect. In addition, cannabinoids are known for their anti-inflammatory properties. Thus, they may benefit the patient, much like dexamethasone does, in the later phase of disease when run-away inflammation is one of the main causes of tissue injury and even death.

Nevis' Patents

Intellectual property and other proprietary rights are essential to the Company's business. The Company has filed patent applications to protect technology, inventions and improvements of inventions that are important for the development of the business.

In January 2018, the Company filed a provisional patent application, "Cannabinoids and derivatives for promoting immunogenicity of tumour and other infected cells", covering cannabinoid-like compounds that restore immune recognition of cancer cells thus increasing their subsequent destruction. The non-provisional application was filed on January 21, 2019 with co-inventors from UBC. This provisional patent has recently been returned to UBC.

Pursuant to the terms of the license agreement with the University of Washington in October 2018, the Company has retained the patent portfolio surrounding development of a cannabinoid-based product for the treatment of glioblastoma multiforme and brain metastases. The patent "Composition and methods for treating glioblastoma" filed in August 2011 by the University of Washington was granted by the United States Patent and Trademark Office in May 2015 (US Patent Number: 9,034,895) with expiry in November 2031.

In August 2018, the University of Washington filed a provisional patent titled "Modified Carbazoles Destabilize Microtubules and Kill Glioblastoma Multiforme Cells and BRAF Mutant Cancers," covering the cannabinoid-based compounds for treatment of glioblastomas and brain metastases. In August 2019, the Company filed a non-provisional patent application for patent protection. The Company has returned these provisional patents to the University of Washington.

In July 2019, the Company filed a provisional patent titled "Composition and Methods of Targeting the Pre-B Cell Receptor for the Treatment of Leukaemias and Lymphomas. In July 2020, the Company filed a non-provisional application for patent protection. The company has abandoned this patent application.

In July 2020, the Company filed a provisional patent titled: "Method of Treating Coronavirus Infections with Cannabinoids and Derivatives". In July 2021, the Company filed a non-provisional application for patent protection and is continuing to pursue this application.

Results of Operations

During the year ended November 30, 2023, the Company reported a net loss and comprehensive loss of $370,217 ($0.02 basic and diluted loss per share) compared to a net loss and comprehensive loss of $480,280 ($0.04 basic and diluted loss per share) for the year ended November 30, 2022.

Selected Annual Information

The following table provides a brief summary of the Company's financial operations for the three most recently completed financial years.

	Year Ended November 30, 2023	Year Ended November 30, 2022	Year Ended November 30, 2021
Total Revenues	671,545	$nil	$nil
Net Loss and Comprehensive Loss	$350,861	$480,280	$1,088,931
Net Loss per share, basic and diluted	$0.02	$0.04	$0.02
Total Assets	$2,495,424	$18,823	$155,188
Weighted Average Number of Shares Outstanding	23,528,379	13,109,365	12,696,872
Shareholders' Equity (Deficit)	1,376,352	(944,105)	(491,295)

During the year ended November 30, 2023, the Company saw significant year over year increases in share-based payments of $359,149, investor relations and marketing of $132,678, intangible assets amortization of $99,771 and administrative and general office of $56,339 (Please refer to *Analysis of Quarterly Results* below). Similarly, during the year ended November 30, 2022, the Company saw significant year over year decreases in share-based payments of $152,557, consulting fees of $129,042, investor relations and marketing of $113,630, and research and development of $106,403.

Summary of Quarterly Results

The following table presents selected quarterly financial information of the Company for the eight most recently completed quarters of operation prepared in accordance with IFRS and expressed in Canadian Dollars.

	2023				***2022***			
	Q4	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
			$	**$**	**$**	**$**	**$**	**$**
Revenue	395,876	275,669	-	-	-	-	-	-
Net and comprehensive (gain) loss	189,028	(54,011)	83,210	132,634	201,453	94,730	48,633	135,464
Basic and diluted loss per share	0.00	0.00	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

Share-based payments impacts expenses and net and comprehensive loss as follows: Q4 2023: $nil, Q3 2023: $404,845, Q2 2023: $nil, Q1 2023: $1,774, Q4 2022: $4,174, Q3 2022: $7,816, Q2 2022: $19,972 and Q1 2022: $15,508. Income during Q3 2023 is due to a significant gain on debt settlement. Losses during Q2 2023, Q3 2022 and Q2 2022 are significantly lower due mainly to reduced salaries and research and development expenses. The Company recorded a bad debt expense of $129,477 during Q4 2022. The Company also recognized a gain on debt settlement of $86,550 during Q2 2022.

The Company's significant accounting policies are set out in Note 3 of the audited annual consolidated financial statements as at and for the year ended November 30, 2023.

Analysis of Quarterly Results

	Notes	Three Months Ended November 30, 2023	Three Months Ended November 30, 2022	Year Ended November 30, 2023	Year Ended November 30, 2022
			$	$	$
Sales revenues	a)	395,876	-	671,545	-
Cost of goods sold	a)	(134,223)	-	(278,604)	-
Accounting and audit fees	b)	(79,552)	(44,719)	(137,939)	(93,659)
Administrative and general office		(43,632)	(1,858)	(89,361)	(33,022)
Equipment depreciation		(5,311)	(2,274)	(7,165)	(8,294)
Intangible assets amortization	c)	(72,847)	-	(99,771)	-
Bank charges and interest		(1,816)	(827)	(4,654)	(3,901)
Consulting fees		14,936	(316)	(18,575)	(3,306)
Salaries and benefits		(100,928)	(23,028)	(225,522)	(232,821)
Foreign exchange		(3,036)	(15,963)	(1,151)	(25,698)
Insurance		(1,940)	(4,987)	(6,891)	(19,848)
Listing fees		(40,268)	(2,814)	(58,539)	(17,937)
Investor relations and marketing	d)	(101,922)	-	(127,995)	-
Legal fees	e)	(7,706)	(4,815)	(59,762)	(19,673)
Share-based payments	f)	-	(4,174)	(406,619)	(47,470)
Travel and entertainment		(12,381)	-	(17,128)	-
Bad debt expense		-	(129,477)	-	(129,477)
Research and development		4,717	15,553	(35,374)	48,628
Interest income		-	-	-	1,402
Interest expense		(12,763)	-	(21,270)	-
Gain on debt settlement	g)	8,183	10,965	517,747	97,515
Gain on sale of equipment		25	7,281	7,256	7,281
Current translation adjustment		5,560	-	48,911	-

a) Sales revenue and cost of goods sold:
The increase is due to the Company incurring revenue from licensing its trademarks and formulas after the acquisition of the THC Essentials assets. Note that Nevis only began recognizing revenue from THC Essentials on June 30, 2023.

b) Accounting and audit fees:
The increase is due to higher accounting fees incurred for work associated with the Transaction with SōRSE and preparation of pro-forma financial statements during the year ended November 30, 2023 as compared to lower accounting fees incurred during the year ended November 30, 2022.

c) Trademark amortization:
The increase is due to the fact that during the year ended November 30, 2023, as part of the Transaction with SōRSE, the Company acquired trademarks, which are being amortized using a ten-year straight-line method.

d) Investor relations and marketing:
The increase is due to the fact that during the year ended November 30, 2023, the Company engaged in more marketing campaigns subsequent to the Transaction with SōRSE to promote the Company's new business as compared to lower investor relations and marketing costs incurred during the year ended November 30, 2022 due to cash constraints at the time.

e) Legal fees:
The increase is due to the Company's legal costs for the settlement with a former officer and higher overall activity during the year ended November 30, 2023 as compared to lower legal fees incurred during the year ended November 30, 2022 due to cash constraints at the time.

f) Share-based payments:
The increase is due to 2,240,000 stock options being granted during the year ended November 30, 2023 as compared to 100,000 stock options granted during the year ended November 30, 2022.

g) Gain on debt settlement:
The Company recorded a gain on debt settlement of $517,747 during the year ended November 30, 2023 on debt owed to multiple parties as compared to a gain on debt settlement of $97,515 during the year ended November 30, 2022 on debt with an arm's length party.

Liquidity & Capital Resources

The Company has financed its operations to date through the issuance of common shares.

	November 30, 2023	November 30, 2022
	$	$
Working capital deficiency	(237,425)	(832,380)
Deficit	14,417,087	14,420,357

During the year ended November 30, 2023, net cash used in operating activities was $385,345 (2022: $147,684), comprised of a loss of $399,772 (2022: $480,280) net of equipment depreciation expense of $7,165 (2022: $8,294), intangible assets amortization expense of $99,771 (2022: $nil), share-based payments of $406,619 (2022: $47,470), gain on sale of equipment of $7,256 (2022: $7,281), gain on debt settlement of $517,747 (2022: $97,515), interest expense of $21,270 (2022: $nil), an increase in prepaid expenses of $4,770 (2022: increase of $53), an increase in accounts receivable of $199,631 (2022: decrease of $5,322), and an increase in accounts payable and accrued liabilities of $209,006 (2022: increase of $246,882).

During the year ended November 30, 2023, cash used in investing activities was $947,708 (2022: cash provided by investing activities of $8,976), comprised of proceeds from the sale of equipment offset by the acquisition of the THC Essentials assets and purchase of equipment.

During the year ended November 30, 2023, cash from financing activities was $1,763,186 (2022: $154,837), comprised of proceeds from short-term loan and net proceeds of shares issued for cash of $1,888,096 (refer to *Share Capital* above).

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements that would potentially affect current or future operations or the financial condition of the Company.

Related Party Transactions

The following is a summary of related party transactions that occurred during the years ended November 30, 2023 and 2022:

Services provided by:		**2023**	**2022**
		$	**$**
Key management salaries/fees	a)	102,704	203,666
Director and officer salaries/fees	b)	-	15,132
Share-based payments		404,845	39,937
Benefits		-	18,163
		507,549	276,898

Related parties include:

a) Key management salaries include amounts paid to the current CEO and CFO and former CEO.

b) Director and officer salaries include amounts paid to the former Vice President of Research and the former Vice President of Therapeutic Development.

Included in accounts payable and accrued liabilities is $13,127 (2022: $473,595) payable to directors and officers of the Company. The amounts in accounts payable and accrued liabilities are non-interest bearing and due within 30 days. Additionally, there are loans to the Company by directors of the Company totalling $99,707 (US $67,178) (2022: $224,617 /US$137,818). The loans are unsecured, due on demand and bear no interest.

On November 30, 2022, the Company entered into agreements with non-arm's length parties stating that Company will issue 240,849 common shares of the Company and $5,000 in cash to settle debt of $195,840. On December 30, 2022, the Company entered into an agreement with a non-arm's length party to settle debt of $402,209 by issuing 1,005,523 common shares of the Company at a deemed price of $0.40 per share. On June 30, 2023, the Company issued 1,246,372 common shares and on July 10, 2023 paid $5,000 in cash to settle the debt.

Contingency

On February 8, 2022, the Company received a Notice of Civil Claim against the Company from a former officer of the Company for damages due to a breach of contract and wrongful termination. The claim against the Company is for 100,000 common shares of the Company to be issued to the former officer, punitive damages, interest and costs. 100,000 common shares with a fair value of $46,000 were issued during the year ended November 30, 2022.

On January 19, 2023, the Company received a Notice of Application from the former officer. On June 22, the Company reached a settlement with the former officer, whereby the Company will pay $126,000 to the former officer over a period of eight months. As at November 30, 2023, $94,000 has been paid per the settlement agreement and an accrual has been recorded for the remaining $32,000.

Financial Instruments & Other Instruments

(a) Fair value

Financial instruments recognized at fair value on the consolidated statements of financial position must be classified in one of the following three fair value hierarchy levels:

Level 1 – measurement based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities;

Level 2 – measurement based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability; or

Level 3 – measurement based on inputs that are not observable (supported by little or no market activity) for the asset or liability.

As at November 30, 2023 and 2022, the Company's financial instruments are comprised of cash, receivables and accounts payable and accrued liabilities. The carrying amounts reported in the consolidated statements of financial position for cash, receivables, short-term loan payable, and accounts payable and accrued liabilities approximate fair values due to the short-term maturities of these financial instruments.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company considers its exposure to credit risk to be low, as its cash is deposited with a large financial institution with a strong credit rating. During the year ended November 30, 2022, the Company recorded a provision of $129,477 against receivables from SōRSE.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meets its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

At November 30, 2023, the Company had cash and cash equivalents of $418,524 (2022: $8,370) available to apply against short-term business requirements and current liabilities of $1,119,072 (2022: $851,203). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of November 30, 2023. The short-term loans payable are due on demand. The promissory note is due on July 31, 2024.

(d) Currency risk

The Company is exposed to currency risk to the extent expenditures incurred or funds received and balances maintained by the Company are denominated in currencies other than the Canadian dollar. The Company does not manage currency risks through hedging or other currency management tools.

As at November 30, 2023 and 2022, the Company's net exposure to foreign currency risk is as follows:

US dollars	2023	2022
	$	$
Cash	39,070	6,169
Accounts receivable	141,431	-
Accounts payable	(175,448)	(233,320)
Short-term loan	(67,178)	(99,818)
Promissory note	(500,000)	-
Net exposure to foreign currency risk	(562,125)	(326,969)
Canadian dollar equivalent	763,478	(441,670)

Based on the above net foreign currency exposure, and assuming all other variables remain constant, a 7% weakening or strengthening of the Canadian dollar against the US dollar would have an immaterial effect on the Company's net loss and comprehensive loss.

(e) Other price risk

Other price risk is the risk that future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

Risks and Uncertainties

Overview

An investment in the Company's shares should be considered highly speculative due to the nature of the Company's business and the present stage of its development. In evaluating the company and its business, shareholders should carefully consider, in addition to the other information contained in this management discussion and analysis, the following risk factors. These risk factors are not a definitive list of all risk factors associated with the Company. It is believed that these are the factors that could cause actual results to be different from expected and historical results. Investors should not rely upon forward-looking statements as a prediction of future results.

Risks Pertaining to the Company's Business

Limited Operating History

The new business of the Company, THC Essentials, has a limited operating history upon which its business and future prospects may be evaluated. Although there is a prior history of revenue from the THC Essential Trademarks, the Company will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its operating goals. In order for the Company to meet future operating requirements, it will need to be successful in its growth, marketing, and sales efforts. There are no assurances that the Licensed Products can be successfully marketed in the future or that there will not be U.S. FDA changes in rules, an initiation of investigations, other regulatory actions taken, or changes in state regulations.

Additionally, where the Company experiences increased production and future sales, its current limited operational infrastructure may require changes to scale its business efficiently and effectively to keep pace with demand and achieve long-term profitability. If the Company's future Licensed Products are not accepted by future customers, the Company's operating results may be materially and adversely affected. As the Company produces new Licensed Products, there is no guarantee that the market will embrace the new Licensed Products.

Regulatory Risks and Uncertainties
Although none of the current licensed Products currently require regulatory approval other than the requirement that the Licensees be licensed under state cannabis laws, there is no assurance that this will continue, as the states in which recreational cannabis is legal could at any time impose new regulatory requirements. The success of the Company's business is dependent on its activities continuing to being permissible under applicable state laws, and any change could have a material negative impact on the Company's business and success. There can be no assurance that the Company will not experience difficulties with its efforts to comply with applicable regulations as they change in the future or that its continued compliance efforts (or failure to comply with applicable requirements) will not have a material adverse effect on the Company's results of operations, business, prospects, and financial condition.

Plans for Growth
The Company intends to continue to license the Trademarks and Licensed Know-How and supply the bottles and labels for the Products in the states in which the Licensed Product are currently sold and to expand to other states where recreational cannabis is legal. If the Company experiences growth, it will place a significant strain on the Company's management systems and resources and impede the implementation of its business strategy in a rapidly evolving market, which may have a material adverse effect on the Company's business, financial condition, results of operations, and prospects.

Limited Marketing and Sales Capabilities
The Company will, for the immediate future, have limited marketing and sales capabilities, and there can be no assurance that it will be able to develop or acquire these capabilities at the level needed, on a cost-effective basis, or at all, to expand the sale of the Licensed Products through industry sales alliance and other business partners. The Company's dependence upon third parties for the production, marketing, or sale, as applicable, of the Licensed Products could have a material adverse effect on the Company's business, financial condition, and results of operations.

Compared to other companies involved in the cannabis industry, the Company is very small, has few resources, and must limit its marketing and product development. The Issuer is a small company in an industry dominated by many larger companies that have substantial amounts of capital and management expertise. The Issuer does not have the human resources or financial resources to compete with senior companies in the cannabis industry, which could and probably would spend more time and money developing and marketing infused beverages. As a result, the Company must limit its marketing and product development unless it raises further capital, likely by the sale of its Shares.

No Assurance of Continued Commercial Success
The Company's continuing success depends on its ability to establish and maintain working partnerships with industry participants in order to market the Licensed Products, the Company's ability to supply a sufficient amount of its bottles and labels to meet market demand, and the number of competitors within each jurisdiction within which the Company may be engaged from time to time. There can be no assurance that the Company or its industry partners will be successful in their respective efforts to continue sales and to expand the markets in which the cannabis drinks are sold.

No Profits or Significant Revenues
THC Essentials has been operating only since 2018, so there has been no significant history upon which to evaluate its performance and future prospects. THC Essentials operations are subject to all the business risks associated with new enterprises. These include likely fluctuations in operating results as the Company makes investments in product opportunities and reacts to developments in its market, including the purchasing patterns of customers and the effect of competitors. In addition, there is no assurance that future profitability will be sustained or that future revenues will be sufficient to generate the funds required for the Company to fund its operations, business development, and marketing. If the Company fails to do so, it may be required to reduce its sales and marketing efforts or forego certain business operations. The Company will only be able to pay dividends on any shares once its directors determine that it is financially able to do so. The Company cannot make any assurance that it will be profitable in the next three years or generate sufficient revenues to pay dividends to the holders of the Shares.

Reliance on Third-Party Manufacturers and Licensees
The Company does not manufacture any of the items used in the manufacture of the Licensed Products. It will continue to outsource the manufacture of the bottles, tops, labels, and shipping boxes to various manufacturers that ship the bottles and labels to the Licensees. There can be no assurances that these manufacturers will be able to continue to meet the Company's timetable and requirements or that the Company will be able to arrange for alternative thirdparty manufacturing sources on commercially reasonable terms or in a timely manner, which could delay the fulfillment of orders for bottles, tops, labels, and shipping boxes. The Company's dependence upon the third-party manufacturers may adversely affect its profit margins and its ability to ensure the manufacture and delivery of the bottles, tops, labels, and shipping boxes on a timely and competitive basis.

Trademark Protection
Failure to register new trademarks and maintain existing Trademarks by the Company could require a rebranding of the Licensed Products, resulting in a material adverse impact on its business. There is no guarantee that the Company will be able to identify and diligently defend such rights against any third parties' usage of the same or similar marks. Trademark protection is important to protect the Company's brand development and good will. If the Company infringes upon the trademark of another company, the Company may be forced to stop using those marks and could be liable for damages caused by any such infringement.

Promoting the Brand
Promoting the Company's brand will be critical to creating and expanding a customer base and to realizing cash flow. If the Company fails to successfully promote its brand or incurs excessive expenses in this effort, its business and financial results from operations could be materially adversely affected.

Competition
There is intense competition in the cannabis industry. There are a large number of companies, both public and private, that have much greater resources than those of the Company.

Customer Demand
The Company intends to target a large and diverse customer base to achieve its desired level of revenue. The Company's ability to attract customers is dependent on a number of factors, including offering high-quality products at a competitive price, the strength of its competitors, and the abilities of its sales and marketing teams. The failure to attract customers or obtain new business from existing customers may result in the Company not achieving its desired level of revenue as quickly as anticipated, if at all.

Costs of Operating as a Reporting Issuer
As a Reporting Issuer, the Company will continue to incur significant legal, accounting, and other expenses. As a Reporting Issuer, the Company is subject to various securities rules and regulations, which impose various requirements on the Company, including the requirement to establish and maintain effective disclosure and financial controls and corporate governance practices. The Company's management and other personnel need to devote a substantial amount of time to these compliance initiatives.

Reliance on Key Personnel
The Company is dependent upon the services of its management team for the successful operation of its business. The loss of these services could affect the business. If the Company cannot successfully recruit and retain the personnel it needs, or replace key personnel after departure, the Company's ability to develop and manage its business will be impaired. John Kueber's ongoing involvement as the Company's CEO is important to the Company's success.

Novel Coronavirus – "COVID-19"
The outbreak of COVID-19 has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, including the implementation of travel bans, self- imposed quarantine periods, and social distancing, have caused material disruption to businesses globally, resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company. However, depending on the length and severity of the pandemic, COVID-19 could impact the Company's operations and could impair the Company's ability to raise funds, depending on COVID-19's effect on capital markets. To the knowledge of the Company's management as of the date hereof, COVID-19 does not present, at this time, any specific known impacts to the Company in relation to the timelines, business objectives, or disclosed milestones related thereto. The Company is not currently aware of any changes in laws, regulations, or guidelines, including tax and accounting requirements, arising from COVID-19, which would be reasonably anticipated to materially affect the Company's business.

Litigation
The Company is not subject to any litigation and is unaware of any possible litigation proceedings. A settlement agreement was reached, on June 22, 2023 with the former CEO, Robert Gietl.

Inflation
Inflationary pressure may also affect the Company's labour, commodity, and other input costs, which could affect the Company's financial condition and the production of the Products. Throughout 2021 and 2022, global inflationary pressures increased,

caused by the ongoing COVID-19 global pandemic and related lockdowns, and the war in Ukraine, which has caused increasing global energy costs and a shortage of agricultural commodities.

Environmental, Health and Safety Laws and Regulations
The Company's operations are not affected by environmental, health, and safety regulations as it does not manufacture any items used in the Licensed Products.

Financial and Accounting Risks

Negative Cash Flow from Operating Activities and Additional Capital Requirements
The Company has had negative cash flow from operating activities from inception. Positive cash flow is now dependent on the operations from its acquisition of THC Essentials. Future capital investment may be required for the Company's future operations. The Company's net losses have had and will continue to have an adverse effect on, among other things, shareholder equity, total assets, and working capital. Accordingly, the Company may be required to obtain additional financing in order to meet its future cash commitments. There is no assurance that additional financing will be available on terms acceptable to the Company.

Availability of Financing
The Company has limited financial resources, and there is no assurance that additional funding will be available to the Company for further operations since it will depend upon the capital market conditions and the business success of the Company. If adequate funds are not available or not available on acceptable terms, the Company may not be able to take advantage of opportunities or respond to competitive pressures and remain in business.

Financial Position and Results of Operations
The Company's actual financial position and results of operations may differ materially from management's expectations, and the Company's revenue, net income, and cash flow may differ materially from the Company's projected revenue, net income, and cash flow. The process for estimating the Company's revenue, net income, and cash flow requires the use of judgment in determining the appropriate assumptions and estimates. These estimates and assumptions may be revised as additional information becomes available and as additional analyses are performed and may not prove to be accurate, and other factors may affect the Company's financial condition or results of operations.

Risks Related to Securities of the Company

Volatile Public Market for the Shares
Fluctuations in the market price of the Shares could cause investors to lose all or part of their investments. Factors that could cause fluctuations in the trading price of the Shares include: (a) announcements of new offerings of Shares and new Licensed Products, commercial relationships, acquisitions, or other events by the Company and its competitors; (b) price and volume fluctuations in the overall stock market from time to time; (c) significant volatility in the market price and trading volume of comparable companies; (d) fluctuations in the trading volume of the Shares or the size of the Company's public float; (e) actual or anticipated changes or fluctuations in the results of operations; (f) whether the results of operations meet the expectations of securities analysts or investors; (g) litigation involving the Company, its industry, or both; (h) regulatory developments; (i) general economic conditions and trends; (j) major catastrophic events; (k) escrow releases or sales of large blocks of the Shares; (l) departures of key employees or members of management; or (m) an adverse impact from any of the other stated risks.

CSE Listing
In the future, the Company's securities may fail to meet the continued listing requirements to be listed on the CSE. If the CSE delists the Shares, the Company could face significant material adverse consequences, including a limited availability of market quotations for the Shares, a limited amount of news and analyst coverage of the Company, and a decreased ability to issue additional securities or obtain additional financing in the future.

Volatile Market Price for Shares
The market price of the Shares may be volatile. The volatility may affect the ability of holders to sell the Shares at an advantageous price or at all. Market price fluctuations in the Shares may be adversely affected by a variety of factors relating to the Company's business, including fluctuations in the Company's operating and financial results, such results failing to meet the expectations of securities analysts or investors and downward revisions in securities analysis' estimates in connection therewith, sales of additional Shares, governmental regulatory action, adverse changes in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Company or its competitors, along with a variety of additional factors, including, without limitation, those set forth under the heading "Forward-Looking Statements." In addition, the market price for securities on stock markets, including the CSE, is subject to significant price and trading fluctuations. These

fluctuations have resulted in volatility in the market prices of securities that often have been unrelated or disproportionate to changes in operating performance. These broad market fluctuations may materially adversely affect the market price of the Company. Additionally, the value of the Shares is subject to market value fluctuations based upon factors that influence the Company's operations, such as legislative or regulatory developments, competition, technological change, and changes in interest rates or foreign exchange rates. There can be no assurance that the market price of the Shares will not experience significant fluctuations in the future, including fluctuations that are unrelated to the Company's performance.

No Dividends

The Company's current policy is, and will be, to retain earnings to finance the development and enhancement of its Products and to otherwise reinvest in its business. Therefore, the Company does not anticipate paying cash dividends on the Shares in the foreseeable future. Until the time that the Company does pay dividends, which it might never do, its shareholders will not be able to receive a return on their Shares unless they sell them.

Enforcement of Judgments Against Certain Persons

There is some doubt as to the enforceability in the United States by a court in original actions, or in actions to enforce judgments of Canadian courts, of civil liabilities predicated upon such applicable Canadian provincial securities laws or otherwise. A court in the United States may refuse to hear a claim based on a violation of Canadian provincial securities laws or otherwise on the grounds that such jurisdiction is not the most appropriate forum to bring such a claim. Even if a court in the United States agrees to hear a claim, it may determine that the local law in the United States, and not Canadian law, is applicable to the claim. If Canadian law is found to be applicable, the content of applicable Canadian law must be proven as a fact, which can be a time-consuming and costly process. Certain matters of procedure will also be governed by foreign law in such circumstances.

Other MD&A requirements

Information available on SEDAR

As specified by National Instrument 51-102, the Company advises readers of this MD&A that important additional information about the Company is available on the SEDAR website – www.sedar.com.

Disclosure by venture issuer

An analysis of the material components of the Company's general and administrative expenses is disclosed in the audited consolidated financial statements for the years ended November 30, 2023 and 2022.

Outstanding share data

Common shares issued and outstanding as at November 30, 2023 are described in detail in Note 8 to the audited consolidated financial statements for the years ended November 30, 2023 and 2022.

As at the date of this document, the Company had the following number of securities outstanding:

Number of shares Issued and outstanding	Number of options	Exercise price	Expiry date
38,140,327			
	80,000	$0.40	April 20, 2026
	2,240,000	$0.10	July 6, 2033

Number of share purchase warrants	Exercise price	Expiry date
8,130,000	$0.20	June 30, 2024
2,632,750	$0.20	July 6, 2024