NIRVANA LIFE SCIENCES INC.

FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
For the Year Ended April 30, 2024

The following management discussion and analysis ("MD&A") has been prepared by the management of Nirvana Life Sciences Inc. ("Nirvana" or the "Company") as of December 4, 2024, and should be read in conjunction with the audited consolidated financial statements of the Company and related notes for the year ended April 30, 2024. The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). All amounts are stated in Canadian dollars unless otherwise indicated.

CAUTIONARY NOTES FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, information with respect to the Company's future business plans and strategy. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" (or "does not expect"), "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" (or "does not anticipate"), or "believes", and other similar words and phrases, or which states that certain actions, events, or results "may", "could", "might", or "will" occur. Forward-looking information is based on assumptions and expectations which the Company considers are reasonable, and which are based on management's experience and its perception of trends, current conditions, and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made. The assumptions used to develop forward-looking information include, but not limited to, assumptions about:

- general business and economic conditions;
- the timing of the receipt of regulatory and governmental approvals, permits and authorizations necessary to implement and carry on the Company's planned business objectives;
- conditions in the financial markets generally;
- the Company's ability to secure the necessary consulting, technical and related services and supplies on favourable terms;
- the Company's ability to attract and retain key staff;
- the nature and location of the Company's plants, and the timing of the ability to commence its business operations;
- the anticipated terms of the consents, permits and authorizations necessary to carry out the planned operations and the Company's ability to comply with such terms on a cost-effective basis; and
- the ongoing relations of the Company with the industry regulators.

Although the Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on forward-looking information. The Company can give no assurance that forward-looking information, or the assumptions and expectations on which it is based, will prove to be correct. The Company does not undertake to revise or update any forward-looking information, except in accordance with applicable laws. Readers should not place undue reliance on forward looking information.

Forward-looking information is subject to known and unknown risks and uncertainties that may cause the actual results, or performance of the Company to be materially different from those expressed or implied by such forward-looking information. These risks and uncertainties include risk and uncertainties associated with the medical marijuana industry,

such as the potential changes in government regulation, and the uncertainty of predicting operating and capital costs. They also include risks and uncertainties that affect the business environment generally, such as changes in interest rates and the condition of financial markets, and changes in exchange rates, and other risks identified herein under "Risks and Uncertainties".

OVERVIEW

Nirvana Life Sciences Inc. was incorporated on May 11, 2011 under the laws of British Columbia, Canada and maintains its head office at Suite 2100, 650 West Georgia Street, Vancouver, B.C. V6B 4N8. The Company's common shares are listed on the Canadian Securities Exchange (the "CSE") under the symbol "NIRV". On September 4, 2024, the Company received a Failure-to-File Cease Trade Order (the "FFCTO") issued by the British Columbia Securities Commission (the "BCSC") due to its failure to file the annual financial statements for fiscal 2024. The trading was halted on the CSE effective September 5, 2024. The Company is currently working to bring all required filings up to date.

Nirvana has been engaged in the scientific research and development of therapeutic products derived from psychedelics. The Company's subsidiary, 1253766 B.C. Ltd. ("1253BC"), had acquired a portfolio of intellectual property from researchers with extensive experience in the psychedelics space. Based on some of these intellectual properties, 1253BC had developed a psilocybin-based formulation to mimic the effects of ibogaine with respect to addiction treatment. In December 2020, it began pre-clinical trials at the University of Camerino in Italy to see if its formulation will work to break an addiction to heroin in mice. Comprehensive data from the trial was released in June 2022 showing positive results for addiction relapse prevention. Furthermore, the findings from all studies may be used to research and develop a psilocybin-based therapies. Since that time the Company has changed it focus to therapeutic products that can be brought to market more quickly.

On July 31, 2023, the Company completed an acquisition of all of the issued and outstanding securities of Medsmart Dispensary Inc. ("Medsmart"), a non-related Canadian based private company. In consideration for all outstanding securities of Medsmart, the Company issued 5,000,000 common shares of the Company to the existing shareholders of Medsmart. Medsmart holds the exclusive license to distribute SOSA, a patented herbal medicine designed to detoxify the human body, in North America with the right to extend the license to territories including Europe, Oceania, and the balance of the Americas. SOSA is a patented, WHO-approved, herbal treatment for opiate addiction that has been administered to more than 30 million patients in Asia. SOSA is registered with the health authorities in China, Indonesia, Thailand, Vietnam, and Cambodia and has been used to treat opiate addictions safely and effectively in these countries for over twenty years. The Company's near-term focus will be on obtaining approval from Health Canada for the SOSA products.

Key activities:

- On May 12, 2023, the Company completed a non-brokered private placement of 6,400,000 units at a price of $0.05 per unit for gross proceeds of $320,000. Each unit is comprised of one common share and one-half share purchase warrant; each whole warrant entitles the holder to acquire one additional common share for a period of 24 months at an exercise price of $0.15.

- On May 12, 2023, the Company issued 2,800,000 common shares with a fair value of $112,000 to settle $140,000 of accounts payable due to officers of the Company and a service provider.

- On July 31, 2023, the Company completed an acquisition of all of the issued and outstanding securities of Medsmart.

- On January 29, 2024, the Company announced that it had received its first shipment of SOSA, which would be used for analysis and pre-clinical trials.

SELECTED ANNUAL INFORMATION

The following table sets out selected financial information for the Company which has been derived from the Company's audited consolidated financial statements for the fiscal years ended April 30, 2024, 2023, and 2022.

	Fiscal 2024 ($)	**Fiscal 2023** ($)	**Fiscal 2022** ($)

Revenues	-	-	-
Net income (loss)	(873,363)	(1,491,464)	(5,656,673)
Net income (loss) per share - basic and diluted	(0.02)	(0.04)	(0.16)
Total assets	20,665	68,568	486,579
Total non-current liabilities	-	-	-
Dividends	-	-	-

Factors That Affect the Comparability of the Annual Financial Data Disclosed Above

The net losses for the fiscal years ended April 30, 2024, 2023, and 2022 were mainly attributable to the general operating expenses (2024 - $744,677, 2023 - $1,258,856, 2022 - $859,121), impairment loss on equipment and intangible asset (2024 - $156,686, 2023 - $251,000, 2022 - $ nil), listing expense (2024 - $nil, 2023 - $nil, 2022 - $4,490,415) and provision for doubtful receivables (2024 - $nil, 2023 - $nil, 2022 - $319,478). General operating expenses excluding share-based payment expenses (2024 - $565,994, 2023 - $1,054,263, 2022 - $859,121) were higher in fiscal 2022 and 2023 due to increased activities following the reverse takeover transaction in March 2022. In fiscal 2024, management reduced activities across all areas of operations due to limited funding. The decrease in total assets in 2023 was mainly due to a write-down of equipment. Total assets were further reduced in 2024 due to a decline in available cash.

DISCUSSION OF OPERATIONS

The Company is in the research and development phase and has not yet generated operating revenue. During the year ended April 30, 2024, the Company reported a net loss of $873,363 compared to a net loss of $1,491,464 in the year ended April 30, 2023. The loss for fiscal 2024 relates primarily to general operating expenses of $744,677 (2023 - $1,258,856), impairment loss of $156,686 (2023 - $251,000), partially offset by a gain of $28,000 (2023 - $18,338) on debt settlement. The Company recognized an impairment loss of $156,686 on the carrying amount of the exclusive SOSA distribution license for North America due to uncertainties regarding the timing of the approval process by health authorities in these regions.

General operating expenses excluding depreciation and share-based payment expenses for the year ended April 30, 2024 were $547,680, a decrease from $962,619 recorded in fiscal 2023. The reduction in general operating expenses is attributed to management's cost-cutting efforts. The most significant decreases include marketing and promotion expenses, which fell from $248,474 in fiscal 2023 to $2,500 in fiscal 2024; investor relations expenses, which decreased from $50,390 to $1,945; professional fees, which declined from $73,440 to $nil; and rent expenses, which decreased from $34,253 to $nil. Other significant expense items for fiscal 2024 are summarized below:

- Accounting and audit fees of $57,722 (2023 - $37,000) include audit, accounting, and tax compliance related costs.
- Consulting fees of $140,000 (2023 - $159,000) include mainly fees to the Chief Technology Officer ("CTO").
- Management fees of $180,000 (2023 - $210,000) relate to fees accrued to the Company's CEO.
- Research and development of $115,221 (2023 - $91,527) consist of fees to the Chief Scientific Officer ("CSO") for scientific research work, and costs for supplies and materials and external labs.

Share-based payment expenses of $178,683 (2023 - $204,593), a non-cash charge, are the estimated fair value of the stock options vested during the period. The Company used the Black-Scholes Option Pricing Model for the fair value calculation.

SUMMARY OF QUARTERLY RESULTS

The following is the selected unaudited financial information for the Company's seven most recent quarters ending with the last quarter for the three months ended April 30, 2024.

	Fiscal 2024	**Fiscal 2023**

	Apr. 30, 2024	Jan. 31, 2024	Oct. 31, 2023	Jul. 31, 2023	Apr. 30, 2023	Jan. 31, 2023	Oct. 31, 2022	Jul. 31, 2022
	($)	($)	($)	($)	($)	($)	($)	($)
Total revenues	-	-	-	-	-	-	-	-
Net income (loss)	(348,159)	5,024	(168,731)	(361,497)	(706,189)	(235,938)	(274,926)	(274,411)
Earnings (loss) per share - basic and diluted	(0.01)	0.00	(0.00)	(0.01)	(0.02)	(0.01)	(0.01)	(0.01)

Factors That Affect the Comparability of the Quarterly Financial Data Disclosed Above

The net losses for the quarters were primarily attributed to general operating expenses, which remained relatively consistent for quarters in fiscal 2023 and decreased significantly in fiscal 2024 due to limited funding. The considerable loss in the fourth quarter of fiscal 2023 was primarily driven by an impairment loss of $251,000 on equipment. The loss incurred in the first quarter of fiscal 2024 included a $175,000 loss on the acquisition of assets, which was subsequently reversed in the third quarter, resulting in a net income recognized for that quarter. The increased loss in the fourth quarter of fiscal 2024 was mainly due to an impairment loss of $156,686 on intangible asset.

FOURTH QUARTER

During the fourth quarter ended April 30, 2024, the Company incurred a net loss of $348,159 (2023 - $706,189). The loss for the fourth quarter relates primarily to general operating expenses of $191,473 (2023 - $455,189) and an impairment loss of $156,686 on intangible asset (2023 - $251,000 on equipment). Factors affecting general operating expenses for the current quarter are similar to those discussed in the “Discussion of Operations” Section.

LIQUIDITY AND CAPITAL RESOURCES

As of April 30, 2024, the Company had a cash balance of $1,913, a decrease of $10,579 from the cash balance of $12,492 as of April 30, 2023. During the year ended April 30, 2024, the Company spent $189,851 on operating activities. The Company’s financing activities included $210,066 in net proceeds from a private placement and $28,268 in advances from the Company’s CEO. Additionally, the Company repaid a loan of $50,000 along with $9,062 in accrued interest to a related party.

The Company had a working capital deficiency of $1,137,401 as of April 30, 2024 compared to a working capital deficiency of $939,787 as of April 30, 2023.

At present, the Company does not have sufficient capital resources to meet its anticipated operating and capital requirements for the next 12 months. Management is considering various financing options to raise capital. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company’s liquidity and future prospects.

Going Concern

At present, the Company’s operations do not generate cash flow and its financial success is dependent on management’s ability to continue to raise adequate financing on reasonable terms and to commence profitable operations in the future. The aforementioned factors indicate the existence of a material uncertainty which may cast significant doubt about the Company’s ability to continue as a going concern. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the balance sheets. The Company’s financial statements do not include adjustments that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Amounts due to related parties of $917,938 (April 30, 2023 - $750,188) are fees charged by officers and companies controlled by a director and officers of the Company. These amounts are unsecured, non-interest bearing, and have no specific terms of repayment.

During the year ended April 30, 2024, the Company issued 2,400,000 common shares with a fair value of $96,000 to settle $120,000 of amounts due to the CEO and the Corporate Secretary. A gain of $24,000 was realized on the settlement.

On August 25, 2022, the Company received a loan of $50,000 from a company affiliated with a director of the Company. The loan was unsecured, bore annual interest at 10% and was payable on November 30, 2022. During the year ended April 30, 2024, the Company accrued interest and late repayment charge totaling $665 (2023 - $8,397) on the loan. During the year ended April 30, 2024, the Company repaid the loan and accrued interest and penalty in full.

Loan payable to related party of $28,268 as at April 30, 2024 are advances from the CEO of the Company. These amounts are unsecured, non-interest bearing, and have no specific terms of repayment.

Key management personnel include directors (executive and non-executive) and officers of the Company. The compensation paid or payable to key management personnel during the years ended April 30 is as follows:

	2024	2023
Management fees	$ 180,000	$ 210,000
Consulting fees	140,000	159,000
Legal fees	10,000	-
Research and development	61,173	84,288
Share-based payments	136,801	204,593
Total	$ 527,974	$ 657,881

The Company entered into the following related party transactions during the year ended April 30, 2024:

a) Incurred management fees of $180,000 (2023 - $180,000) to a company controlled by the CEO of the Company.

b) Incurred management fees of $nil (2023 - $30,000) to a company controlled by the former CFO of the Company.

c) Incurred legal fees of $10,000 (2023 - $10,566) to a company controlled by the Corporate Secretary of the Company.

d) Incurred consulting fees of $61,173 (2023 - $84,288) to the Chief Scientific Officer ("CSO") of the Company for scientific research work provided.

e) Incurred consulting fees of $140,000 (2023 - $120,000) to the Chief Technology Officer ("CTO") of the Company for consulting services provided.

f) Incurred consulting fees of $nil (2023 - $39,000) to the former Head of Operation and Extraction ("HOE") of the Company for operation consulting services provided.

The Company has entered into a service agreement with a company controlled by the CEO of the Company for a total monthly base fee of $15,000, with no specified term. The services agreements may be terminated with a termination payment equal to twenty-four months of base fee.

SUMMARY OF OUTSTANDING SHARE DATA

The Company had the following common shares, stock options and warrants outstanding as at the date of this report:

Issued and Outstanding Common shares	48,233,010
Stock options	3,200,000
Warrants	3,700,000
	55,133,010

FINANCIAL INSTRUMENTS

The Company classified its financial instruments as follows: cash as subsequently measured at amortized cost financial assets; and accounts payables, amounts due to related parties, and loans from related parties as subsequently measured at amortized cost financial liabilities.

The carrying amounts of cash, trade and other payables, amounts due to related parties, and loans from related parties carried at amortized cost is a reasonable approximation of their fair value due to the relatively short period to maturity of these financial instruments.

Financial risk management

The Company's financial risks arising from its financial instruments are credit risk, liquidity risk, and interest rate risk. The Company's exposures to these risks and the policies on how to mitigate these risks are set out below. Management monitors and manages these exposures to ensure appropriate measures are implemented on a timely basis and in an effective manner.

Credit risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with cash and loan receivable from related party. The credit risk with respect to its cash is minimal as they are held with high-credit quality financial institutions. Management does not expect these counterparties to fail to meet their obligations.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they fall due. The Company performs cash flow forecasting for each fiscal year to ensure sufficient cash is available to fund its projects and operations. As at April 30, 2024, the Company had current assets of $20,665 and current liabilities of $1,158,066. The Company's financial liabilities include trade and other payables which have contractual maturities of 30 days or are due on demand. The loans payable to related parties have no specific terms of repayment.

At present, the Company's operations do not generate positive cash flows. The Company's primary source of funding has been the issuance of equity securities through private placements. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings.

Interest rate risk

The Company is exposed to interest rate risk arising from the cash maintained at Canadian financial institutions. The interest rate risk on cash is not considered significant due to their short-term nature and amounts.

CRITICAL ACCOUNTING ESTIMATES

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Significant areas requiring the use of management estimates include:

i) The assessment of any impairment for equipment and finite life intangible assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

ii) The determination of the fair value of stock options and agent's warrants using option pricing models, require the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions could materially affect the fair value estimate.

iii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Accounting standards or amendments to existing accounting standards that have been issued, but have future effective dates, are either not applicable or are not expected to have a significant impact on the Company's financial statements.

RISKS AND UNCERTAINTIES

The information in this section is intended to serve as an overview and should not be considered comprehensive and the Company may face risks and uncertainties not discussed in this section, or not currently known to us, or that we deem to be immaterial. All risks to the Company's business have the potential to influence its operations in a materially adverse manner.

Lack of operating history and profitability concerns

The Company has a limited operating history, has incurred substantial losses since its inception, has no revenues and is not likely to have no revenues for the foreseeable future due to the fact that our research and development activities will take time to complete. We expect to incur net losses and negative cash flows during our research and development phase, and losses and negative cash flows may continue past this phase as we will need to earn significant revenues in order to cover the costs that will arise with commercialization such as production, marketing, and additional personnel expenses. We may not ever achieve profitability. Even if we do achieve profitability, we may not be able to sustain it.

Additional funding requirements

Substantial additional financing may be required if the Company is to be successful develop its business. As such, the Company is subject to many common risks to new and developing enterprises, including undercapitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further research and development activities.

Immature Psychedelic Industry

The non-recreational psychedelic industry is still a relatively new market. Participants in this industry are hoping that with increasing awareness of the potential therapeutic benefits of psychedelics such as psilocybin, governments may relax regulation with respect to these controlled substances. This may never come to pass, however, and the stringent laws and regulations currently in place for psilocybin-based products may continue to hamper growth of its market. Our expectations with respect to market growth and market share may never be realized.

Even if psilocybin regulation eases up, there is no assurance that this will result in the Company meeting its revenue expectations. The growth rate of any market is unpredictable, and demand for psilocybin therapies may take too long to attain the level necessary for our investors to see a return on investment.

Finally, any nascent industry will not have the infrastructure and established protocols that a more mature industry will have. There are few, if any, standard practices with respect to propagation, production, quality assurance, marketing and

distribution when it comes to psychedelic-based medical formulations. We may be compelled to expend resources to devise solutions to problems that would not be present in other industries, or to engage in activities to build infrastructure or create demand. Such expenditures will not only affect our financial results adversely, but may lead to missed opportunities due to the allocation of resources. Moreover, the wide range of uncertainties in the psychedelic industry may deter capital investment, thus making it difficult for us to raise the necessary funds to realize its business objectives.

Changes in law

As laws and regulations in Canada evolve, we may be negatively affected by certain changes in legislation. The scope of laws applicable to us is extensive and include but is not limited to laws regarding controlled substances, intellectual property, product safety and liability, securities, marketing, employment standards and taxation. Any amendments or enactments of laws and regulations relating to the development, production, marketing and distribution of our products and services will have a significant impact on our finances. We may be required to modify our product or service specifications; implement measures to enhance safety, efficacy, or transparency; comply with increased documentation or governance procedures; or pay additional tariffs or taxes. The cost of compliance with laws and regulations includes not just the actions necessary to comply with the legislation, but also to the expense of understanding and interpreting the legislation.

Our exposure to risk arising from changes in law increases with doing business in other countries. The laws of foreign nations may be very different from those in Canada and sometimes unclear. We may encounter difficulties in interpreting such laws and we may be less able to anticipate any upcoming changes due to our unfamiliarity with another legal regime. Considerable expense may be incurred to comply with foreign laws and regulations.

Controlled substance regulation

Psilocybin is a "controlled substance" as it is listed on Schedule III of the CDSA, and accordingly possession and use of psilocybin in Canada is strictly prohibited unless an exemption has been obtained from Health Canada. The Company intends to apply for an exemption in the form of a Dealer's License under the Food and Drugs Regulations. There is no assurance that we will be granted a Dealer's License, and even we were granted the license, there is no assurance that we will be able to satisfy the ongoing compliance requirements to maintain the license. Failure in either respect will be detrimental to our business as we cannot conduct research if we are not able to possess or use psilocybin.

In addition, any violation of controlled substance laws and regulations may result in not only loss of permits or licenses, but also significant fines, penalties, and/or administrative sanctions, and could possibly even lead to criminal charges. Such serious consequences may have a material adverse effect on our business.

Failure to develop viable product

There is no assurance that we will be able to develop commercially viable products, in particular psilocybin-based drug formulations. Since our research and development program is in its early stages, it will be a long time before we can determine, based on scientific evidence, that our formulations are safe and efficacious. For a drug to be approved by Health Canada, it must undergo rigorous multi-stage testing. (See Narrative.) Positive results from early preclinical research may not be indicative of positive results in the later stages of preclinical or clinical research. We cannot give assurance that our future studies, if any, will yield favourable results. Positive results may also be insufficiently significant in magnitude to warrant continuing with further research.

Even if our product ideas were to reach the clinical testing stage, there is no assurance that we will be able to conclude all phases of testing and development. Aside from the challenge of obtaining enough funding, the likelihood of success in creating safe and efficacious formulations depends on the intellectual acumen of our researchers. The ability to innovate is not something entirely in our control. We may never arrive at a product formulation which is viable for bringing to market.

Operational risks

Our operations involve the use of chemicals and hazardous substances which if handled improperly could result in personal injury and property damage, and if such substances were inadvertently released into the environment, we could be subject to penalties and be liable for removal or remediation costs.

DISCLOSURE CONTROLS

In connection with Exemption Orders issued by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the audited annual consolidated financial statements and respective accompanying Management's Discussion and Analysis.

In contrast to the certificates under National Instrument ("NI") 52-109 (Certification of disclosure in an Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting as defined in NI 52-109.

ADDITIONAL INFORMATION

Additional information concerning the Company and its operations is available on SEDAR at www.sedarplus.ca and on the Company web site at https://nirvanalifescience.com.

APPROVAL

The Board of Directors of Nirvana Life Sciences Inc. has approved the contents of this management discussion and analysis on December 4, 2024.