The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of PreveCeutical Medical Inc. ("PreveCeutical" or the "Company") and its subsidiary, PreveCeutical (Australia) Pty Ltd. ("PreveCeutical (Australia)") constitute management's review of the factors that affected the Company's financial and operating performance for the year ended December 31, 2023. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations*. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the period presented are not necessarily indicative of the results that may be expected for any future period.

This MD&A should be read in conjunction with the condensed interim consolidated financial statements, including the notes thereto, of the Company for the three months ended March 31, 2024, and 2023 and the audited consolidated financial statements for the year ended December 31, 2023.

The accompanying condensed interim consolidated financial statements are unaudited and have been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* using accounting policies consistent with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). These condensed interim consolidated financial statements do not include all of the information required for full annual financial statements. These condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2023.

These condensed interim consolidated financial statements, together with the following MD&A, are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as potential future performance.

Results are reported in Canadian dollars unless otherwise noted.

For the purposes of preparing this MD&A, management, in conjunction with the Company's board of directors (the "Board of Directors"), considers the materiality of information. Information is considered material if:

(i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of PreveCeutical's common shares;

(ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or

(iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Management is responsible for the preparation and integrity of the consolidated financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the consolidated financial statements and this MD&A, is complete and reliable.

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian and U.S. securities laws. All statements, other than statements of historical fact, included herein, including, without limitation, statements regarding the Company's and PreveCeutical (Australia)'s, as applicable, future cash requirements, general business and economic conditions, the details of the Company's research programs, the proposed research and development services to be provided by UniQuest (as defined below), the anticipated business plans of the Company regarding the foregoing, the ability of the Company to bring its products to market, including a synthesized, Nature Identical™, version of CELLB9, the timing of future business activities and the prospects of their success for the Company, and the Company's ability and success in executing its proposed business plans, are forward-looking statements. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Often, but not always, forward-looking information can be identified by words such as "will", "pro forma", "plans", "aims", "expects", "may", "should", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "believes", "potential" or variations of such words including negative variations thereof, and by discussions of strategy or intentions. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results or achievements to be materially different from any future results or achievements expressed or implied

by such forward-looking statements. Such risks and other factors include, among others, the ability of the Company to obtain sufficient financing to fund its business activities and plans, the inability of the Company, UniQuest, Asterion (as defined below) or PreveCeutical (Australia) to, among other things, complete the Company's research programs as planned, the inability of the Company to generate revenue through its products, including through the sale of the Licensed Sleep-Aid Products (as defined herein), the inability of the Company or PreveCeutical (Australia) to obtain any required governmental, regulatory or stock exchange approvals (including Canadian Securities Exchange (the "CSE") approval), permits, consents or authorizations required to carry out any planned future activities, commercialize any therapeutics from the Company's research programs, pursue business partnerships or complete its research programs as planned, risks related to joint venture operations and risks related to the integration of acquisitions, as well as those factors discussed under the heading "Risks and Uncertainties". Other factors such as general economic, market or business conditions or changes in laws, regulations and policies affecting the biotechnology, medicinal cannabis or pharmaceutical industry may also adversely affect the future results or performance of the Company.

The Company is not making any express or implied claims that its product has the ability to eliminate, cure or contain the COVID-19 (or SARS-2 Coronavirus) at this time.

The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance and that actual results are likely to differ, and may differ materially and adversely, from those expressed or implied by forward-looking statements contained in this MD&A. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date the statements are made and such beliefs, estimates and opinions may prove incorrect. For the reasons set out above, investors are cautioned against attributing undue certainty or placing undue reliance on forward-looking statements.

DATE

This MD&A reflects information available as at July 5, 2024.

CORPORATE STRUCTURE

Name, Address and Incorporation

PreveCeutical Medical Inc. was incorporated under the *Business Corporations Act* (British Columbia) on December 15, 2014.

The Company's head office is located at 5428 Marine Drive, West Vancouver, British Columbia, V7W 2R2, Canada and its registered and records office is located at 595 Howe Street, 10th Floor, Vancouver, British Columbia V6C 2T5, Canada.

The Company has a wholly owned private Australian subsidiary, PreveCeutical (Australia), incorporated in Queensland, Australia, on March 12, 2018.

Security Listings

PreveCeutical's securities are listed on the CSE under the symbol "PREV". The Company also has its common shares listed for trading on the Frankfurt Stock Exchange under the symbol "18H" and on the OTCQB venture marketplace under the symbol "PRVCF".

Changes in Directors and Officers

On January 15, 2023, Ms. Shabira Rajan resigned as CFO and Mr. Stephen Van Deventer was appointed as interim CFO.

On February 17, 2023, the Company appointed C. Evan Ballantyne as an independent director.

DESCRIPTION OF BUSINESS

PreveCeutical is a health sciences company that develops innovative options for preventive and curative therapies utilizing organic and nature identical products. The Company intends to secure the market share through a business-to-business strategy with the aim to build an extensive library of intellectual properties and enter into joint venture, development, and licensing agreements with leaders in the pharmaceutical and cannabis industries.

PreveCeutical has temporarily discontinued the sale of CELLB9 due to supply issues and intends to create a synthesized, Nature Identical™, version of the CELLB9 product as part of its stabilization of Blue Scorpion Venom (the "BSV") research program, which is discussed further below.

The Company expects to have revenue when it brings additional products to market. The Company is working with its research team and its Chief Science Officer on the development and commercialization of certain products that are currently being researched by the Company. The Company is also actively looking at other products that it can bring to market.

COVID-19 IMPACT

On March 11, 2020, the World Health Organization ("WHO") declared COVID-19 viral disease a pandemic. As of May 2020, the virus has spread to 188 countries with travel bans and restrictions implemented in many countries combined with social distancing measures to slow COVID-19 spread and flatten the epidemiological curve.

This pandemic has disrupted the worldwide economy and the global financial markets, affecting several businesses, including in Canada. The uncertainty of its duration has significantly affected the ability to raise capital. As the Issuer is currently dependent on equity and debt financing, this uncertainty and financial market disruption may impact the Issuer's ability to raise funds.

The global outbreak of COVID-19 continues to evolve rapidly. The extent to which COVID-19 may impact the Company's business and operations will depend on future developments, including the duration of the outbreak, travel restrictions and social distancing in Canada and other countries, the effectiveness of actions taken in Canada, the United States and other countries to contain and treat the disease.

The Company is closely monitoring the impact on its operations and related emerging risks and is taking steps to address the impact and risks. This includes reducing its burn rate by staff layoff, deferring paying salaries to the remaining staff, and terminating the office lease. The Company is also looking at innovative therapies to address COVID-19, including possible viral prevention using CBD Sol-gel. It is looking into funding from various government agencies to fund this possible initiative.

The Company has received a loan from CIBC under the Canada Emergency Business Account (CEBA) program for its operations (described under Overall Performance). Risks related to COVID-19 are more fully set out under "Risk and Uncertainties".

On May 5, 2023, the World Health Organization ("WHO") officially declared the end of the COVID-19 pandemic. This declaration is a testament to the relentless efforts of healthcare professionals, researchers, governments, and individuals worldwide in controlling the spread of the virus and minimizing its impact.

The conclusion of the pandemic brings about new opportunities and challenges for the company. We anticipate several notable implications as we move forward including: the recovery of economic activities, changes in consumer behavior, health and safety considerations, challenges on supply chain and logistics and financial performance implications.

RESEARCH AND DEVELOPMENT

The Company currently has completed research for four of its projects described below and has one ongoing research project. The Company is working on the development and commercialization of an array of innovative therapies derived from the completed research and development ("R&D") projects. The Company retained its research partners, the University of Queensland ("UQ") and UniQuest Pty Limited ("UniQuest"), to conduct the five R&D projects.

The R&D projects that are conducted in Australia are managed by PreveCeutical (Australia), providing the Company with better access to expertise and partnerships for its drug development programs. Australia has specialized hospitals with preeminent clinical trial capabilities as well as the diverse patient populations needed for the range of products that PreveCeutical is currently developing.

Following are the Company's current research and development projects:

Stabilization of Blue Scorpion Venom

The Company undertook the research of the stabilization of the BSV program, which was conducted by its research partners at the University of Queensland ("UQ") and UniQuest Pty Limited ("UniQuest"). This Program was completed in October 2019.

The four lead peptides evaluated in a two-compartment cell-based invasion model exhibited a slowing of invasion in all cell lines tested. These also showed modest suppression of a cancer cell biomarker responsible for driving metastasis, as well as drug and immune system resistance in brain cancer. Two lead peptides had already internalized into the cell, demonstrating their rapid uptake, and so surface binding could not be captured.

A provisional application was filed at the Australian Patent Office on December 22, 2020, entitled "Cyclic Peptides and Uses Thereof", application number 2020904798, with the aim of seeking protection for certain cyclic peptides and their use in the prevention and treatment of brain cancer. An international patent application was made on December 22, 2021 (application number PCT/AU2021/051545). The patent was published on January 6, 2022 (publication number WO/2022/133540).

The next steps for the Company will be to go through subsequent stages of drug development/validation and (pre) clinical evaluation for the lead peptides identified. The Company is working on establishing partnerships to progress the development of products under this project.

Sol-gels for Nasal Delivery of Cannabinoids

PreveCeutical had partnered with UQ and UniQuest for the development and evaluation of translatable formulations for systemic/central nervous system ("CNS") delivery. This Program focused on the development of a cannabinoid-based nose-to-brain delivery system for the relief of a range of ailments, including pain, inflammation, seizures and neurological disorders. Engineered Sol-gels present an ideal platform for achieving this aim as they are in-solution upon administration and rapidly gelate when warming as a result of contact with mucosal tissue. The Company believes that the Sol-gels will pave the way for safer and more reliable drug delivery for agents such as CBDs that are rapidly metabolized or that would benefit from direct nose-to-brain CNS delivery.

The CBD Program, which commenced in the third quarter of 2017, was completed in June 2020, with the following highlights:

- Completion of chemical fingerprinting via HPLC of plant-derived cannabinoids.
- Completion of the trial of devices with differing nozzle designs using an in-house developed inhalation model.
- An optimal spray profile for nose-to-brain delivery has been achieved.
- Acute nasal toxicity evaluation has been completed, with the cannabinoid-infused sol-gel displaying negligible toxicity when applied to human nasal mucosal tissue as confirmed by a clinical biomarker detection assay, and complemented by histopathological evaluation of tissue.

The Company filed an international patent application, PCT/IB2021/022211 on August 31, 2021, titled, "Cannabinoid Formulations and Methods of Use", to seek the protection of its sol-gel formulations containing cannabinoids for nasal delivery. This patent was published on March 3, 2022 (publication number WO/2022/043759). The Company has begun the nation phase of patent filing, filing in Australia, the United States, Canada and with the European patent office. The Australian patent, application number AU2021330383, and the United States patent, application number US18043398, were entered on February 28, 2023. The Canadian patent, application number CA3193462, was published on March 23, 2023, and the European patent, application number EU2021860630, was entered on March 31, 2023.

The Company has been given an exclusive, non-transferable license by UniQuest for the use of their sol-gel technology for the delivery of naturally occurring cannabinoids from plants (including without limitation cannabis and hemp) and chemically synthesized versions thereof. The license agreement was executed on November 12, 2021.

Disulfide Linker Technology in Engineering Analgesic Peptides

This R&D program, which commenced in July 2018, was conducted to extend the application of the disulfide linker technology in engineering pain-relieving peptides for moderate to severe pain and inflammatory conditions (the "Analgesic Program"). The Analgesic Program involves peptide library synthesis, pharmacological evaluation, alongside pharmacokinetic assessment, and efficacy determinations in appropriate animal models of pain and inflammation. This research for this Program was completed in January 2021.

Two Australian provisional applications entitled "A Cyclic Peptide", which were filed last year by The University of Queensland, Australia ("UQ"), were combined into a single Patent Cooperation Treaty ("PCT") application which was filed a year after the earlier priority date. This PCT application, jointly owned by UQ and PreveCeutical, was filed on January 24, 2020, with application number PCT/AU2020/050049, with the aim of seeking protection for certain cyclic peptides and their use in pain management. The patent was published on July 3, 2020 (publication number WO/2020/150788). The Company then entered the national phase of patent filing, filing in Canada, the United States, Australia and with the European Patent Office. The Canadian patent, application number CA3127020, was published on August 12, 2021, the United States patent, application number US17424649, was published on March 24, 2022, the Australian patent, application number AU2020212659, was entered on July 22, 2021, and the European application, number EU2020744905, was published on December 1, 2021.

A provisional application was filed at the Australian Patent Office on July 1, 2020, entitled "Peptides and Uses Thereof", application number 2020902233, with the aim of seeking protection for certain peptides analogues of dynorphin and their use in pain management. An international patent application, PCT/AU2021/050707, was made on July 1, 2021. The international patent was published on June 1, 2022 (publication number WO/2022/000043). The Company then began the national phase of filing the patent, filing with the European Patent Office, application EU2021832508, published on May 10, 2023, and Canada, application number CA3188556, published on February 8, 2023.

The Company is working on forming partnerships to further the development and commercialization of products under this Program.

Cannabis Extract Infused Sol-gel Formulation for COVID-19

The Company entered into this R&D Program in July 2020 to address the current COVID-19 pandemic when it became aware, from an independent report in the public domain, that an extract from a particular cannabis line has a potential use against COVID-19.

This program was undertaken following the completion of the first CBD sol-gel program with UQ. Under this Program, a formulation of sol-gel containing a particular cannabinoid extract is being developed. The Company will be looking at the commercialization of this formulation as a nasally administered treatment and/or prophylactic for COVID-19. The Program was completed in November 2020.

An international patent application was filed on November 18, 2021, entitled "Sol-Gel Cannabinoid Formulation and Antiviral Use", application number PCT/AU2021/051383, with the aim of seeking protection for certain cannabinoid formulations and their use in the prevention and treatment of COVID-19 caused by SARS-CoV-2 infection. The patent was initially published with ISR on May 27, 2022 (publication number WO/2022/104431).

The Company has entered the national phase of filing for the patent, filing with Australia, Canada, and the European Patent Office. The Australian patent, application number AU2021384063, was entered on June 13, 2023, the European patent, application number EU 2021893149, was entered on June 20, 2023, and the Canadian patent, number CA3202537, was published on June 18, 2023.

Smart siRNA for the Treatment of Diabetes and Obesity

The Company is working with UQ and UniQuest to research the develop Smart-siRNAs for the treatment of diabetes and obesity (the "D&O Program"). The D&O Program, which commenced in July 2019, is ongoing.

Through rational design and systematic evaluation, select targeted bio-responsive gene carrier-and-release systems are anticipated to deliver Smart-siRNA's to target cells. With effective gene-silencing optimized, the Program aims to target the single gene implicated in both type 2 diabetes and obesity. The Program expects to demonstrate that this strategy is safe and effective in appropriate pre-clinical (mice) models of type 2 diabetes and obesity, paving the way for broader pre-clinical safety and efficacy evaluations.

The Program focuses on the library design of bio-responsive gene carrier-and-release ("BGCR") systems, with almost 200 carrier system constructs being rationally designed, taking into account a range of head group chemistries and charge and a panel of ligands that promote self-assembly and targeting. Screening of a panel of first-generation siRNA sequences against PTP-1B in mouse-derived cells had commenced, with promising levels of silencing recorded for the novel sequences. A series of in-house cell models of diabetes and obesity in which the novel siRNAs are being screened successfully developed and optimized.

A table of novel nucleic acid compositions consisting of more than 150 gene sequences against human PTP1B that contrast from those that are already reported and protected by intellectual property rights has been created. The cell-based studies have progressed to re-designing the constructs to be applicable to PTP-1B gene silencing in mice.

With the Company's focus on establishing partnerships to further development under its other programs, the Company has temporarily placed this program on hold.

As at March 31, 2024, the D&O Program was 57.63% complete.

Management has not yet determined whether these programs have an economically recoverable value, and management continues to evaluate the same to assess whether additional efforts and funds should be allocated to such projects.

OVERALL PERFORMANCE

During the three months ended March 31, 2024, the Company continued to work on research and development, commercialization strategies, patents, business development and financing, including:

- Developing its intellectual property.
- Developing strategies and partnerships for the development and commercialization of the Company's IP.
- Working with the lawyers to respond to a Notice of Hearing from the Executive Director of the British Columbia Securities Commission to dispute allegations in the Notice of Hearing.
- Appointing a director with financial, scientific and commercialization background.

For the three months ended March 31, 2024, the Company continued to focus on business development and its research programs. These programs continue to be funded by equity and debt. The Company anticipates that the products and therapies that are developed through its R&D programs will either enter into strategic partnerships to manufacture and market such products or, it will license the intellectual property to other companies.

As the Company does not have a revenue income stream at this time, the cost of operations and meeting of commitments are currently being financed by funding from equity and debt. To ensure that the Company has funding to continue its operation, management has taken a number of steps that are outlined under the Liquidity and Capital Resources section.

On April 14, 2020, the Company received a loan of $40,000 under the Canada Emergency Business Account ("CEBA") program. On December 15, 2020, the Company received an additional $20,000 under the program. This is an interest-free loan up to December 31, 2022, $20,000 of which is eligible for complete forgiveness if $40,000 is fully repaid on or before December 31, 2022. If the loan cannot be repaid by December 31, 2022, it will be converted into a three-year term loan charging an interest rate of 5%. On January 12, 2022, the repayment deadline was extended to December 31, 2023, and the repayment deadline to qualify for partial forgiveness of up to a third of the value of the loans (up to $20,000) was extended to December 31, 2023. As of September 14, 2023, the deadline for qualifying CEBA loan holders to achieve partial loan forgiveness was extended to January 18, 2024. Effective January 19, 2024, all outstanding loans, including those under the refinancing extension, will convert to three-year term loans at a five percent per annum interest rate, with the term loan repayment date extended to December 31, 2026. No principal payments are required until the maturity date. The loan is for the Company's operations.

On January 18, 2024, the Company had not fully repaid the CEBA loan, and as a result, it no longer qualifies for the forgiveness incentive offered by the government. Therefore, the outstanding amount of the loan will be subject to the terms outlined, with the loan converting to a three-year term loan at a five percent per annum interest rate starting on

January 19, 2024, and the repayment deadline extended to December 31, 2026. No principal payments are required until the maturity date. During the three months ended March 31, 2024, the Company had not repaid any amounts under this loan. The balance on this CEBA loan at March 31, 2024 was $60,592.

At March 31, 2024, the Company had a cash balance of $2,811 and a working capital deficiency of $6,066,569 compared to a cash balance of $1,432 and a working capital deficiency of $5,895,907 at December 31, 2023. For the three months ended March 31, 2024, the Company's funding included short-term debts.

Selected Financial Information

		March 31, 2024		December 31, 2023
Cash	$	2,811	$	1,432
Total assets	$	186,151	$	181,510
Non-current liabilities	$	60,592	$	-
Total liabilities	$	6,198,126	$	5,959,680
Working capital deficiency	$	6,066,569	$	5,895,907
Deficit	$	28,644,517	$	28,409,115
Shareholders' deficiency	$	6,011,975	$	5,778,170

Selected Operating Information

	Three months ended March 31, 2024			
	2024		2023	
Revenues	$	-	$	-
Net loss	$	235,402	$	381,189
Net loss and comprehensive loss	$	233,805	$	380,729
Net loss per share	$	0.000	$	0.001

FINANCIAL RESULTS OF OPERATION

During the three months ended March 31, 2024, the Company continued its focus on developing its product line and identifying, reviewing and commissioning additional products for manufacturing, marketing and R&D and on securing additional funding for its operations.

The Company's deficit at March 31, 2024, of $28,644,517, includes the costs of the reverse takeover and listing costs of $2,585,202 incurred in the year ended December 31, 2017, and loss on modification of convertible debt in the amount of $1,206,521 and debt settlement in the amount of $17,287 recorded during the year ended December 31, 2020, and $1,404,677 recorded during the year ended December 31, 2018. It also includes a $925,341 adjustment to deficit on expired options and a $1,822,800 adjustment to deficit on expired warrants, both recorded in the year ended December 31, 2022.

The Company had a net loss and comprehensive loss of $233,805 for the three months ended March 31, 2024, compared to $380,729 for the three months ended March 31, 2023. The Company did not record any revenue for the three months ended March 31, 2024 and 2023.

Operating expenses were $142,109 for the three months ended March 31, 2024 compared to $294,743 for the three months ended March 31, 2023, a decrease of $152,634 due to:

- During the three months ended March 31, 2024, the Company incurred a share-based compensation expense of $Nil, representing a decrease from the $77,363 incurred during the three months ended March 31, 2023. The decrease was primarily attributable to the vesting and granting of a greater number of stock options to directors and consultants in 2023. Specifically, the Company granted and vested a total of 4,000,000 stock options during the three months ended March 31, 2023, compared to no stock options granted and vesting in the current period.

- The Company's professional fees for the three months ended March 31, 2024, amounted to $46,013, reflecting a decrease of $61,132, compared to $107,145 for the three months ended March 31, 2023. These

expenses consist mostly of costs incurred in connection with the Company's ongoing patent applications and reporting fulfilling details.

Other expenses including interest, and foreign exchange loss were $93,293 for the three months ended March 31, 2024, compared to $86,446 for the three months ended March 31, 2023. The decrease in other income and expenses of $6,847 was due to:

- The Company's interest expense for the three months ended March 31, 2024, totaled $80,944, reflecting an increase of $7,581 compared to $73,363 for the three months ended March 31, 2023. This increase was primarily due to in an increase in loan advances.

SUMMARY OF QUARTERLY RESULTS

The following table sets out selected financial information prepared in accordance with IFRS for each of the last eight quarters ended March 31, 2024.

	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Net loss	$ 235,402	$ 423,069	$ 239,635	$ 230,578
Comprehensive loss	$ 233,805	$ 424,651	$ 239,597	$ 229,501
Basic and diluted loss per share	$ 0.0000	$ (0.0010)	$ 0.0000	$ -
Cash	$ 2,811	$ 1,432	$ 1,683	$ 2,511
Working capital deficiency	$ 6,066,569	$ 5,895,907	$ 5,513,017	$ 5,279,671
Total assets	$ 186,151	$ 181,510	$ 209,442	$ 192,082
Total liabilities	$ 6,198,126	$ 5,959,680	$ 5,605,260	$ 5,351,129
Deficit	$ 28,644,517	$ 28,409,115	$ 27,986,046	$ 27,772,211
Shareholders' deficiency	$ 6,011,975	$ 5,778,170	$ 5,395,818	$ 5,159,047

	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Net gain (loss)	$ (381,189)	$ 333,885	$ (797,573)	$ (416,618)
Comprehensive gain (loss)	$ (380,729)	$ 13,858	$ (793,312)	$ (258,887)
Basic and diluted gain (loss) per share	$ (0.0010)	$ 0.0000	$ (0.0015)	$ (0.0005)
Cash	$ 6,079	$ 5,624	$ 2,443	$ 2,628
Working capital deficiency	$ 5,063,705	$ 4,761,051	$ 4,531,882	$ 2,631,601
Total assets	$ 166,715	$ 189,136	$ 153,103	$ 140,409
Total liabilities	$ 5,105,218	$ 4,824,273	$ 4,671,647	$ 4,477,417
Deficit	$ 27,584,506	$ 27,259,717	$ 26,695,673	$ 29,184,639
Shareholders' deficiency	$ 4,938,503	$ 4,635,137	$ 4,518,541	$ 4,337,368

The quarterly operating results continue to meet management’s expectations. The Company continues to depend on funding for its operations, including the R&D programs, from equity and debt financing.

LIQUIDITY AND CAPITAL RESOURCES

The Company continues to depend on equity and debt for funding until it brings its products to market.

As at March 31, 2024, the Company had a working capital deficiency of $6,066,569 and a cash balance of $2,811. As at December 31, 2023, the Company had a working capital deficiency of $5,895,907 and a cash balance of $1,432. As at March 31, 2024 and December 31, 2023, the Company did not have any commitments.

The Company anticipates that it will continue to incur more costs, including licenses, R&D and patent filing costs, than revenue. The Company is in the development stage and is primarily focused on developing marketable products and forming relationships and partnerships for the commercialization of the products. Management continues to take steps to ensure that the Company has funds to pay for its obligations and continue its operations.

These include:

1. Securing investment in the Company by way of private placements.

2. Entering into convertible credit facility agreements with the founders of the Company, Kimberly Van Deventer (former President and Director of the Company) and Stephen Van Deventer (CEO and Director of the Company) (collectively, the "Lenders") as follows:

   July 18, 2022

   This agreement was entered into on July 18, 2022, for the principal amount to three million dollars with the Lenders ("July 18, 2022 Credit Facility"). The terms include simple interest at the rate of 10% per annum to be accrued monthly. The outstanding loan and interest are payable on demand by giving at least fifteen (15) business days written notice to the Company.

   Previous advances and accrued interest as follows were consolidated and transferred to the July 18, 2022 Credit Facility:

   (a) Convertible debt facility entered on May 9, 2017 with the Lenders for a maximum principal sum of $1,000,000, with a simple interest rate of 5% per annum. $1,212,560 ($975,500 principal and $237,060 accrued interest) was transferred to the July 18, 2022 Credit Facility. This facility was terminated on July 18, 2022.

   (b) Convertible debt agreement entered on January 26, 2018, with the Lenders, for a maximum principal of $500,000 with a simple interest of 5% per annum. $614,041 ($500,000 principal and $114,041 accrued interest) was transferred to the July 18, 2022 Credit Facility. This facility was terminated on July 18, 2022.

   (c) Convertible debt agreement entered on March 28, 2018 with Ms. Kimberly Van Deventer, for a maximum principal sum of $700,000 with a simple interest rate of 5% per annum. $622,184 ($517,505 principal and $104,679 accrued interest) was transferred to the July 18, 2022 Credit Facility. This facility was terminated on July 18, 2022.

   The following past advances were transferred to the July 18, 2022 Credit Facility:

   (a) Short-term loans in the total amount of $107,307 advanced at various dates prior to July 18, 2022.

   (b) Accounts payable to the Lenders at July 18, 2022, in the amount $346,056.

3. Entering into a loan agreement with the Company's CEO and Chairman, Mr. Stephen Van Deventer, whereby Mr. Van Deventer loaned the Company a principal sum of $300,000. In consideration for this loan, the Company has granted 5,000,000 transferable common share purchase warrants to Mr. Van Deventer, each warrant entitling Mr. Van Deventer to purchase one common share in the capital of the Company at an exercise price equal to $0.06 per share for a period of one year from the date of grant. The 5,000,000 warrants granted were not exercised and expired on May 28, 2020. As at December 31, 2022, the Company has drawn the full amount of $300,000 under this agreement.

4. Securing long-term loans under the Canada Emergency Business Account (CEBA) program.

5. The Company is continuing to look into other funding, including grants in Australia for R&D.

RELATED PARTY TRANSACTIONS

1. Management

During the three months ended March 31, 2024, compensation to management and directors included:

- Consulting fees in the amount of $21,455 (March 31, 2023 - $20,233) were invoiced by Dr. Makarand Jawadekar, PreveCeutical's President, Chief Science Officer and Director. As at March 31, 2023, $335,932

(December 31, 2023 - $315,648) was owed to Dr. Jawadekar for these services.

- Salary and benefits accrued for Stephen Van Deventer, PreveCeutical's Chairman and Chief Executive Officer, in the amount of $32,429 (March 31, 2023 - $31,733). The Company owes Mr. Van Deventer $519,754 (December 31, 2023 - $487,234) for salaries and benefits as at March 31, 2024.

2. Cornerstone Global Partnership Inc. ("CGP")

CGP is a corporation owned by the Company's Chief Executive Officer and Chairman, Mr. Stephen Van Deventer and the Company's former President, Ms. Kimberly Van Deventer.

For the three months ended March 31, 2024, the Company accrued $21,000 (March 31, 2023 - $21,000) for Ms. Kimberly Van Deventer's services. As at March 31, 2024, the Company owed CGP $357,000 (December 31, 2023 - $336,000) in relation to these services.

3. Short-term loans

The Company entered into a six-month loan agreement in the amount of $300,000 with Mr. Stephen Van Deventer on May 29, 2019, with an interest of 5% per annum compounded semi-annually. For the three months ended March 31, 2024, interest in the amount of $3,740 was accrued for this loan (March 31, 2023 - $3,699). On February 21, 2020, the maturity date was amended from November 29, 2019, to May 29, 2020. On March 5, 2021, the term of the debt was amended to due on demand. As at March 31, 2024, there was $300,000 (December 31, 2023 - $300,000) principal and $77,197 (December 31, 2023 - $73,457) accrued interest outstanding on this loan.

CGP loaned the Company $3,000 on July 5, 2019. No interest was payable on this loan. This amount was outstanding at March 31, 2024 and December 31, 2023.

During the three months ended March 31, 2024, Stephen Van Deventer, Chief Executive Officer of the Company, loaned the Company an aggregate of $60,441 (March 31, 2023 - $Nil). No interest was payable on this loan. As at March 31, 2024, there was $154,838 (December 31, 2023 - $94,396) principal outstanding on this loan.

4. Convertible loan (Credit Facility Agreements)

Credit facility agreements were entered into with the Lenders to fund the Company's working capital shortfall.

The initial agreement, for $1 million, was entered into on December 9, 2016, and amended on March 31, 2017, to the principal amount of $2 million at a conversion price of $0.10 per common share of the Company. On April 20, 2018, the conversion price was amended from $0.10 to $0.06 per share.

On May 20, 2020, the Company entered into two assignment and assumption agreements whereby a certain arm's length assignees (the "Assignees") acquired all of the rights, title, interests and obligations in and under this convertible credit facility agreement for a principal amount of $1,728,811 and the accrued interest of $271,189. Included in the assignment and assumptions agreement, the conversion price was amended from $0.06 to $0.023 per share and $1,206,521 was recorded as a loss on the modification to profit or loss with a corresponding adjustment to shareholders' deficiency. During the year ended December 31, 2020, the assigned debt and accrued interest (aggregate balance of $2,000,000) was converted for a total of 86,956,522 share debt of $2,178,836 was reclassed to share capital and accretion of $214,240 was recognized in profit or loss.

On March 12, 2021, the Company entered into an assignment and assumption agreement whereby a certain arm's length assignee (the "Assignee") acquired all of the right, title, interests and obligations in and under this convertible credit facility agreement for a principal amount of $475,637 and the accrued interest of $45,097. Included in the assignment and assumptions agreement, the conversion price was amended from $0.06 to $0.032 per share and $189,851 was recorded as a loss on modification to profit or loss with a corresponding adjustment to shareholders' deficiency. The assigned debt and accrued interest (aggregate balance of $520,734) was converted for a total of 16,272,951 shares. As a result of the conversion, the equity portion of convertible debt of $391,876 was reclassed to share capital and an accretion of $56,401 was recognized in profit or loss.

The Company entered into a second credit facility agreement with the Lenders in the amount of $1 million on May 9, 2017, to cover additional operational costs. For the year ended December 31, 2022, accrued interest under this credit facility, at a 5% simple interest rate per annum, amounted to $26,593 (2021 - $48,775). The outstanding principal of $975,500 and accrued interest of $237,060, for a total amount of $1,212,560, on July 18, 2022, was

transferred to the July 18, 2022 Credit Facility, and this agreement was terminated on July 18, 2022.

The Company entered into an agreement with the Lenders in the amount of $500,000 on January 26, 2018, in the form of an unsecured convertible promissory note bearing simple interest at 5% per annum. This promissory note was added to the second facility. Thereby, the terms of the facility entered into on May 9, 2017, apply to the January 26, 2018, agreement. This loan was to cover additional research, development and operational costs. For the year ended December 31, 2022, accrued interest under this credit facility amounted to $13,630 (2021 - $25,000). The outstanding principal of $500,00 and accrued interest of $114,041, for a total amount of $614,041, at July 18, 2022, was transferred to the July 18, 2022 Credit Facility and this agreement was terminated on July 18, 2022.

The Company entered into a credit facility agreement with the former President of the Company, Ms. Kimberly Van Deventer, in the amount of $700,000 on March 28, 2018 (as amended), to cover additional operational costs. For the year ended December 31, 2022, accrued interest under this credit facility, at a 5% simple interest rate per annum, amounted to $16,114 (2021 - $34,750). The outstanding principal of $517,505 and accrued interest of $104,679, for total amount of $622,184, at July 18, 2022, was transferred to the July 18, 2022 Credit Facility and this agreement was terminated on July 18, 2022.

The Company entered into the July 18, 2022 Credit Facility with the Lenders in the amount of $3 million on July 18, 2022. The terms include simple interest at the rate of 10% per annum to be accrued monthly. The outstanding loan and interest are payable on demand by giving at least fifteen (15) business days written notice to the Company. As at March 31, 2024, there was principal of $2,997,526 (December 31, 2023 - $2,997,526) and accrued interest of $440,526 (December 31, 2023 - $365,793) outstanding on this facility.

On November 11, 2022, the Company entered into an assignment and assumption agreement whereby a certain arm's length assignee (the "Assignee") acquired all of the right, title, interests and obligations in and under this convertible credit facility agreement for a principal amount of $240,000 and the accrued interest of $60,000 (collectively the "Assigned Amount"), with a conversion price of $0.025. On November 21, 2022, the Assignee elected to convert the Assigned Amount into an aggregate of 12,000,000 common shares at a price of $0.025 per common share.

OUTSTANDING SHARE DATA

On May 29, 2024, the Company issued 4,600,000 Units (Consisting of one common share of the Company and one-half of one common share purchase warrant) at a price of $0.025 per unit through a non-brokered private placement. An aggregate cash fee of $9,200 and aggregate 368,000 common share purchase warrants were issued as finders' fees in relation to this private placement.

As at March 31, 2024:

(i) the Company had 535,303,359 common shares issued and outstanding; and
(ii) the Company had 19,900,000 stock options outstanding.

As at July 5, 2024:

(i) the Company had 539,903,359 common shares issued and outstanding; and
(ii) the Company had 19,900,000 stock options outstanding.
(iii) the Company had 2,668,000 warrants outstanding.

FINANCIAL INSTRUMENTS

The Company, through its financial assets and liabilities, is exposed to various risks. The following analysis provides descriptions and measurement of the significant risks as at March 31, 2024:

Interest Rate Risk

The Company is funded by equity and debt. As the current debt is with the Company's related parties and is at a fixed simple interest rate, there is no current impact on interest rate fluctuations, and the Company considers interest rate risk on outstanding loans not to be significant.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due or can only do so at an excessive cost.

The Company manages its liquidity risk by maintaining adequate financing from related party facilities, forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements.

As at March 31, 2024, the Company had a working capital deficiency of $6,066,569 compared to the working capital deficiency at December 31, 2023, of $5,895,907. The current liabilities as at March 31, 2024 were $6,137,534 compared to $5,959,680 at December 31, 2023.

The Company's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

The amounts listed below are the undiscounted contractual maturities for financial liabilities held by the Company as at March 31, 2024:

	Less than 1 year	1 to 3 years	Total
Accounts payable and accrued liabilities	$ 2,164,448	$ -	**$ 2,164,448**
Callable debt	535,034	-	**535,034**
Convertible debt - short term	3,438,052	-	**3,438,052**
Loan	-	60,592	**60,592**
	$ 6,137,534	**$ 60,592**	**$ 6,198,126**

The amounts listed below are the undiscounted contractual maturities for financial liabilities held by the Company as at December 31, 2023:

	Less than 1 year	1 to 3 years	Total
Accounts payable and accrued liabilities	$ 2,065,508	$ -	**$ 2,065,508**
Callable debt	470,853	-	**470,853**
Convertible debt - short term	3,363,319	-	**3,363,319**
Loan	60,000	-	**60,000**
	$ 5,959,680	**$ -**	**$ 5,959,680**

Fair Values

The Company's financial instruments classified as level 1 in the fair value hierarchy are cash, accounts receivable, callable debt, loan and accounts payable and accrued liabilities as their carrying values approximate the fair values due to their short-term nature. The convertible debt is classified as level 3.

RISKS AND UNCERTAINTIES

In conducting its business, the Company faces a number of risks and uncertainties related to its operations, some of which are beyond its control. Such risks include, but are not limited to:

- The industry is capital-intensive and subject to fluctuations in market sentiment, foreign exchange and interest rates.

- The only sources of future funds for further product development and marketing, which are presently available, are funding from equity capital and debt. Management has been successful in accessing the equity markets during the year, but there is no assurance that such sources will be available on acceptable terms in the future.

Capital market conditions and other factors beyond the Issuer's control, including the current COVID-19 pandemic, may also play important roles in the ability to raise capital.

- The Company can offer no assurance that it will be able to successfully obtain additional financing, or that future financing occurs on terms satisfactory to the Company's management and/or shareholders. If funds are unavailable in the future, or unavailable in the amounts that the Company feels the business requires, or unavailable on acceptable terms, the Company may be required to cease operating or to modify its business plans in a manner that undermines its ability to achieve its business objectives.

- Any future equity financings for the purpose of raising additional capital may result in substantial dilution to the holdings of existing shareholders. The Company cannot predict the size of future sales and issuances of equity securities, convertible securities to equity securities or the effect, if any, that future sales and issuances of equity securities or convertible securities will have on the market price of the Company's common shares. Sales or issuances of a substantial number of equity securities or convertible securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the Company's common shares. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in their earnings per common share, and further suffer such dilution upon the conversion of convertible securities into equity.

- The Company's intention is to make its potential future products available for sale globally. As such, operations are subject to political risk due to political, economic, social and other uncertainties, including the risk of civil rebellion, nationalization, land ownership disputes, renegotiation or termination of existing and future contracts, permits or other agreements, changes in laws or taxation policies, currency exchange restrictions and changing political conditions.

- The Company's continued operations require licenses, permits and approvals from various parties and governmental authorities. There is no assurance that the Company will be successful in obtaining or maintaining the necessary licenses, permits and approvals to continue with its development and commercialization activities or that current licenses will remain in force as granted.

- While management believes that control over the Company's bank accounts and assets is adequate, there is an internal control weakness in respect of a lack of segregation of duties, and therefore a risk of management override of controls and procedures. It is management's opinion that these weaknesses in internal controls over financial reporting are inherently related to the small size of the Company.

- The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally, resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak are unknown at this time, as is the efficacy of the government and central bank interventions. Although, it is not possible to reliably estimate the length and severity of these developments and their impact on the financial results and condition of the Issuer and its operating subsidiaries in future periods.

- The Company intends to outsource the manufacture of its products, including the Licensed Sleep-Aid Products, to third parties. Such third parties, in turn, source raw materials in order to produce the Company's products. The availability of raw materials, as well as variations in the price of raw materials, may, therefore, increase the Company's operating costs. The subsequent effect on the Company's operating profit margins depends on, among other things, the Company's ability to increase the prices of its finished products in the context of a competitive market. Fluctuations in raw material prices may, therefore, increase or decrease the Company's operating profit margins. Price increases may also result in downward pressure on sales volume. Furthermore, the Company's third-party manufacturer(s) will be competing with other producers and manufacturers to secure raw materials, and such producers or manufacturers may, because of a variety of factors, including but not limited to their relationships with suppliers, size, and competitive position within the industry, be able to secure raw materials before the Company's manufacturer(s) could secure such material, or may push the prices of raw materials higher because of such producers' or other manufacturers' demand for raw materials that the Company also requires. Potential delays in the Company's or any of its third-party manufacturers' ability to secure raw materials could undermine the Company's commitments to produce and deliver its products to distributors, which could undermine market share, revenue, and subsequently, profitability.

- In both domestic and foreign markets, the formulation, manufacturing, packaging, labelling, distribution, advertising, importation, exportation, licensing, sale and storage of the Company's products are affected by extensive laws, governmental regulations, administrative determinations, court decisions and other similar constraints. Such laws, regulations and other constraints may exist at the federal, provincial/state or local levels in Canada, Australia, the United States and at all levels of government in foreign jurisdictions. There can be no assurance that the Company or any of its distributors are in compliance with all of these regulations. The failure of the Company or its distributors to comply with these regulations or new regulations could disrupt future sales of the Company's products (either existing or in development) could lead to the imposition of significant penalties or claims and could negatively impact the Company's business. The adoption of new regulations or changes in the interpretations of existing regulations may result in significant compliance costs or discontinuation of product sales and may negatively impact the marketing of the Company's products, resulting in a significant loss of sales revenues.

- The Company has no significant history of earnings and, due to the nature of the Company's business, there can be no assurance that the Company will be profitable. The continued operation of the Company and the ability of the Company to execute its current and future business plans will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained.

- If the Company is unable to generate such revenues or obtain such additional financing, any investment in the Company may be lost. In such an event, the probability of resale of the securities purchased would be diminished.

  While the Company may generate additional working capital through further equity offerings, there is no assurance that any such funds will be available on terms acceptable to the Company, or at all. If available, future equity financing may result in substantial dilution to current shareholders. At present, it is impossible to determine what amounts of additional funds, if any, may be required.

- The markets for nutrient and health-related products are characterized by evolving regulatory and industry standards, changes in consumer tastes, needs, habits, and frequent new product introductions and enhancements within the industry. The introduction of products embodying new technologies or substances and the emergence of new industry standards and service offerings could render the Company's existing products and products currently under development obsolete or undermine the Company's ability to compete with such other products successfully. The Company's success will largely depend upon its ability to evolve its products and services to sufficiently keep pace with technological and regulatory developments (domestically and in foreign jurisdictions) and respond to the needs of its existing and prospective customers. Failure to anticipate or respond adequately to technological developments or future customer or regulatory requirements, or any significant delays in product development or introduction, could damage the Company's competitive position in the marketplace and affect current and/or future commercialization plans. There can be no assurance that the Company will be successful in developing and marketing new products or product enhancements or service offerings on a timely basis.

- The development of new products and strategies is a costly, complex and time-consuming process, and the investment in R&D, technology product development and marketing often involves a prolonged time until a return is achieved on such an investment. The Company has made, and will continue to make, significant investments in R&D, technology and related product opportunities. Investments in new products are inherently speculative and risky. While the Company will continue to dedicate a significant amount of resources to its development efforts in order to maintain a competitive position in the market, significant revenue from such investments may not be achieved for a prolonged period of time, if at all. Moreover, new products and services may not be profitable, and even if they are profitable, operating margins for new products and services may not be as lucrative as the margins the Company has anticipated.

- The Company may become a party to litigation from time to time in the ordinary course of business, which could adversely affect its business. Should any litigation in which the Company becomes involved be determined against the Company, such a decision could adversely affect the Company's ability to continue operating and the market price for the Company's common shares and could use significant resources. Even if the Company is involved in litigation and wins, litigation may redirect significant Company resources. Litigation may also create a negative perception of the Company's brand.

- The Company is a respondent to the BCSC Matter, and the Company filed, among others, the 2018 Civil Claim in the Supreme Court of British Columbia against certain of the non-issuer respondents to the BCSC Matter. The timeline and potential outcome of each of the BCSC Matter and the 2018 Civil Claim remain uncertain and could potentially negatively impact the business of the Company.

- On July 11, 2019, the Company was named as a defendant in a lawsuit commenced in the Supreme Court of British Columbia (Tietz and Loewen v. Bridgemark Financial Corp. et al.) (the "Class Action Claim"). The Class Action Claim was brought under the British Columbia Class Proceedings Act and alleged certain misrepresentations in connection with various private placements conducted by the defendants. In January 2022, the Company agreed to settle the claims made against it in the Action for $350,000, without any admission of liability, in order to avoid further expense, inconvenience, and burden of this litigation, and any other present or future litigation arising out of the facts that gave rise to this litigation (the "Settlement Agreement"). The Settlement Agreement was approved by the Court on April 4, 2022, with the effective date of Settlement being after the expiration of the 30-day appeal period. The settlement amount was fully covered by the Company's insurance policy.

- On May 2, 2024, the British Columbia Securities Commission (BCSC) dismissed enforcement allegations against PreveCeutical Medical Inc. and its CEO, Stephen Van Deventer. The BCSC concluded that the issues raised did not materially affect investors' decisions or the company's stock price. This ruling resolves the regulatory concerns previously noted.

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described in any forward-looking statements.

EVENTS AFTER MARCH 31, 2024

D&O assets

On April 1, 2024, the Company entered into a term sheet for a merger involving its diabetes and obesity (D&O) assets with a newly formed private company. The agreement entails merging these assets into the newly formed company, which will aim to go public on a US national exchange within nine to twelve months. It will be initially funded with USD $250,000 to cover public listing expenses. Preveceutical will own 85% of the newly formed company, with 75% of these shares distributed to the Company's shareholders. The merger includes plans to raise up to USD $3 million within 90-180 days, followed by a direct listing and additional capital raising efforts.

OTHER

Additional information regarding the Company is available on the Company's website at www.preveceutical.com. Additional information relating to the Company, including other continuous disclosure documents required by the securities regulators, is filed on System for Electronic Document Analysis and Retrieval + (SEDAR+) and can be accessed electronically at www.sedarplus.ca.

The effective date of this report is July 5, 2024.