OVERVIEW

The following management discussion and analysis ("MDA") of the financial position of Orion Nutraceuticals Inc. ("the Company" or "the Issuer"), and results of operations prepared on November 1, 2021 should be read in conjunction with the unaudited interim condensed financial statements for the period ended August 31, 2021 and August 31, 2020 and the annual consolidated financial statements for the year ended May 31, 2021 and the notes related thereto ("Financial Statements"). These Financial Statements together with this MDA are intended to provide investors with a reasonable basis for assessing the financial performance of the Company.

The head office and registered and records office of the Company is located at 810-789 West Pender Street Vancouver, British Columbia, V6C 2V6.

All financial information in this MDA has been prepared in accordance with IFRS. All dollar amounts included therein and in the following MDA are in Canadian dollars, the reporting and functional currency of the Company, except where noted.

Additional information related to the Company is available for view on SEDAR at www.sedar.com or by requesting further information from the Company's head office in Vancouver.

In March 2020, the World Health Organization declared the outbreak of COVID-19 a global pandemic. Government measures to limit the spread of COVID-19, including the closure of non-essential businesses, did not materially disrupt the Company's operations during the period ending August 31, 2021. As at August 31, 2021, we have not observed any material impairments of our assets or a significant change in the fair value of assets due to the COVID-19 pandemic.

Due to the rapid developments and uncertainty surrounding COVID-19, it is not possible to predict the impact that COVID-19 will have on our business, financial position and operating results in the future. In addition, it is possible that estimates in the Company's financial statements will change in the near term as a result of COVID-19 and the effect of any such changes could be material, which could result in, among other things, impairment of long-lived assets including intangibles and goodwill. The Company is closely monitoring the impact of the pandemic on all aspects of its business.

DESCRIPTION OF BUSINESS

The Company was incorporated under the Business Corporations Act (British Columbia) on November 7, 2017. The Company completing its initial public offering and started trading on the CSE on October 17, 2018. On January 22, 2019, the Company's shares were approved for listing on the OTC Markets Group OTCQB Market under the ticker symbol ORONF. The Company was in the business of pursuing acquisitions of, or investments in, subsidiaries in global markets to grow cannabis and extract cannabis oil that will be used as an ingredient in proprietary health and beauty products and distributed in bulk to other manufacturers. During the year ended May 31, 2021, the Company changed its business model to focus on re-purposing a United States Food and Drug Administration approved drug to target asthma and chronic obstructive pulmonary disease (COPD).

HIGHLIGHTS AND OVERALL PERFORMANCE

On June 1, 2020, the Company appointed Mr. Kevin Taylor as a director of the Company. Mr. Kevin Taylor is a seasoned executive with 30 years of operating experience in Fortune 500 companies throughout North and South America. For the past 11 years, Mr. Taylor has been the President and CEO of TEREI International Limited, a merchant bank focused on debt and equity opportunities in the small to mid-cap markets in North and South America.

On July 10, 2020, the Company closed the second tranche of a non-brokered private placement of 20,000,000 Units ("Unit") of the Company at a price of $0.15 per Unit for gross proceeds of $3,020,000. Each Unit consists of one common share and one share purchase warrant ("Warrant"). Each Warrant expires on July 10, 2022 with an exercise price of $0.40. The Company uses the residual value method and as a result no value was assigned to the Warrants.

In connection with the private placement completed on July 10, 2020, the Company granted to third-party vendors 1,084,002 finder's warrants with an exercise price of $0.40 per warrant expiring on July 10, 2022. The total fair value of the warrants was estimated to be $552,553 using the Black-Scholes Option Pricing Model with the following assumptions: term of 2 years; expected volatility of 486%; risk-free rate of 0.25%; and expected dividends of zero. The Company also granted to third-party vendors 27,997 finder's warrants with an exercise price of $0.40 per warrant expiring on July 10, 2021. The total fair value of the warrants was estimated to be $13,866 using the Black-Scholes Option Pricing Model with the following assumptions: term of 1 year; expected volatility of 371%; risk-free rate of 0.25%; and expected dividends of zero.

In connection with the private placement completed on July 10, 2020, the Company issued 1,064,002 common shares at fair value of $542,641 and paid cash finder's fees of $70,700 to arm's length parties. Included in the share issuance cost is $49,000 legal fees related to closing of the private placement.

On July 31, 2020, the Company issued 12,500 common shares with a fair value of $5,000 to settled $5,000 of director fees charged in 2020.

On August 26, 2020, the Company issued 1,510,908 common shares pursuant to warrants exercised for gross proceeds of $211,527.

On March 2, 2021, pursuant to the terms of a settlement agreement dated September 3, 2020 between the Company and the former CEO, the Company transferred 13,271 shares of FCM Global, S.A.A.("FCM") to the former CEO in return for the full and final release of the Company from claims in regards to compensation owing to the former CEO as of the date of his departure. The Company acquired the 13,271 shares of FCM when it was pursuing the acquisition of FCM in fiscal year 2019.The fair value of the 13,271 shares of FCM was fully impaired as of May 31, 2019 when the acquisition of FCM was no longer pursued by the Company.

The Company's 99% owned subsidiary, MedicOasis Inc. ("MedicOasis") has been inactive since June 1, 2020. MedicOasis is a privately held, Québec company incorporated on December 19, 2013. As of the date of this MDA, MedicOasis is an applicant in the process of obtaining a Cultivation License pursuant to the ACMPR. MedicOasis has submitted a site change in respect of its Cultivation License application; however, MedicOasis is still required to submit its application in respect of the new site to be located at the Dorval property, which would allow MedicOasis to produce medical marijuana at such 30,000 square foot facility.

HIGHLIGHTS AND OVERALL PERFORMANCE (CONTINUED)

2740162 Ontario Inc. (August Therapeutics) Letter of Intent

On August 25, 2020, the Company signed a non-binding letter of intent, as amended, to acquire all of the issued and outstanding securities of 2740162 Ontario Inc. (d/b/a "August Therapeutics"), a private corporation, in consideration for the payment of 60 million common shares in the capital of the Company to the shareholders of August Therapeutics pro rata to their ownership interest (the "Transaction"), expiring on December 31, 2021.

In connection with the proposed Transaction the Company extended to August Therapeutics a series of secured notes, bearing interest at 1% per annum compounded monthly totaling $1,725,017 (US$1,301,664). The proceeds of the notes shall be used by August Therapeutics strictly for the limited purpose of making subscription payments to InStatin, Inc. ("InStatin") pursuant to a subscription earn-in agreement (the "Earn-in Agreement") entered into among August Therapeutics and InStatin on August 12, 2020. All outstanding obligations under the secured notes will mature and be due and payable on the date that is 12 months from the date of the advances. The security for the secured notes shall be (i) the common shares of InStatin acquired pursuant to the Earn-in Agreement and (ii) a security interest in all present and future-acquired assets of August Therapeutics, which security interest shall be perfected by all legal steps required under applicable law. The notes were recorded at fair value using a discount rate of 20% at initial recognition and at year end.

During the year ended May 31, 2021, the Company extended to Ketiko Bio Corp. ("Ketiko") a note, bearing interest of 1% per annum calculated monthly totaling $672,880 (US$500,000). The proceeds of the note shall be used by Ketiko strictly to purchase shares of InVixa Inc. ("InVixa") pursuant to a subscription earn-in agreement entered into among Ketiko and InVixa on August 12, 2020. The note matures and is due and payable on October 28, 2021. The security for the note shall be (i) the common shares of InVixa acquired by Ketiko and (ii) a security interest in all present and future-acquired assets of Ketiko. The note was recorded at fair value using a discount rate of 20% at initial recognition and at year end. During the period ended August 31, 2021, the Company advanced an additional $187,831 (US$150,000) note to Ketiko on the same terms as the initial advance.

RESULTS OF OPERATIONS

For the period ended August 31, 2021, the Company incurred net income of $102,006 compared to losses of $288,834 during the period ended August 31, 2020. In general, the Company's operations decreased during the period ended August 31, 2021 as the Company focused on managing cashflow to ensure the Company has adequate cash during periods that were affected by COVID-19. A discussion and analysis of the changes are below:

- Consulting fees decreased to $8,750 from $139,133 as the Company used less consultants compared to the previous period.

- The Company incurred management fees of $22,500, which is the same as the $22,500 in the comparative period.

- Professional fees decreased to $22,916 from $104,393 as the Company consulted legal counsel for the due diligence work related to the acquisition of August Therapeutics in the previous period. Professional fees also includes accounting fees.

RESULTS OF OPERATIONS (CONTINUED)

- The Company incurred foreign exchange gain of $97,699 compared to loss of $34,671 in the comparative period. In previous years, the Company extended notes to Ketiko and August Therapeutics in US dollars. During the period ended August 31, 2021, the Company advanced an additional $188,053 (US$150,000) Ketiko on the same terms as the initial advance. The Company adjusted the foreign exchange on the loans as at August 31, 2021 and recorded the foreign exchange difference.

- The Company recorded gain on settlement of accounts payable of $nil compared to $20,000 in the comparative period. During the period ended August 31, 2021, the Company paid $20,000 to a third-party vendor to settle $40,000 owed. The gain was recorded as the difference of the fair value owing and the settlement payment.

- The Company recorded change in fair value of notes receivables of $63,514 (2020- $Nil) related to loans used towards investment purposes.

The Company has not paid any dividends on its common shares and has no present intention of paying dividends, as it anticipates that all available funds for the foreseeable future will be used to finance its business activities.

SUMMARY OF QUARTERLY FINANCIAL RESULTS

The following table sets out selected quarterly financial information derived from the Company's unaudited condensed consolidated interim financial statements, for each of the eight recently completed quarters, which have been prepared in accordance with IFRS:

	August 31, 2021 -\$-	*May 31, 2021* -\$-	*February 28, 2021* -\$-	*November 30, 2020* -\$-
Total assets	2,552,996	2,428,682	2,712,785	2,855,616
Working capital (deficiency)	2,083,354	1,979,400	2,314,027	2,410,188
Shareholders' equity (deficiency)	2,083,354	1,979,400	2,314,027	2,410,188
Net income (loss) for the period	102,006	(312,575)	(98,065)	(183,462)
Earnings (loss) per share	0.00	(0.01)	(0.00)	(0.01)

	August 31, 2020 -\$-	*May 31, 2020* -\$-	*February 29, 2020* -\$-	*November 30, 2019* -\$-
Total assets	2,286,825	584,967	82,173	97,374
Working capital (deficiency)	1,752,221	(264,881)	(476,820)	(329,424)
Shareholders' equity (deficiency)	1,752,221	(264,881)	(476,820)	(329,424)
Net income (loss) for the period	(288,834)	(214,598)	(150,396)	42,640
Earnings (loss) per share	(0.02)	(0.13)	(0.00)	0.00

LIQUIDITY AND CAPITAL RESOURCES

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

Net cash used in operating activities for the period ended August 31, 2021 was $51,224 (2020 - $611,613), which reflects managements focus on managing cashflow to ensure the Company has adequate cash during periods that were affected by COVID-19.

LIQUIDITY AND CAPITAL RESOURCES (CONTINUED)

On July 10, 2020, the Company completed the second tranche of a non-brokered private placement agreement in which 20,000,000 Shares were issued at $0.15 per unit for gross proceeds of $3,020,000.

On August 26, 2020, the Company received proceeds of $211,527 for 1,510,908 common shares of the Company issued pursuant to warrants exercised.

During the year ended May 31, 2021, the Company advanced in the form of promissory notes, $2,397,897 ($1,801,664USD) to August Therapeutics and to Ketiko.

During the period ended August 31, 2021, the Company advanced an additional $188,053 (US$150,000) to Ketiko.

There can be no assurance of successfully completing future financings. The Company will need to raise further capital to continue operations. Management is actively seeking such opportunities.

RELATED PARTY TRANSACTIONS

The Company defines key management as directors and officers of the Company. Key management consists of:

Joel Dumaresq, CEO and CFO and Director
Robin Linden, Director
Sam Jenkins, Director
Kevin Taylor, Director

During the period ended August 31, 2021 and 2020, the Company paid or accrued the following to key management compensation:

	2021	2020
Management fees paid or accrued to the CEO and related companies	$ 22,500	22,500
Consulting fees paid or accrued to a director of the Company	1,250	1,250
Share based compensation	1,948	4,281
Total	$25,698	$28,031

At August 31, 2021, the Company owes $163,750 (May 31, 2021 - $140,400) directly or to companies controlled by key management personnel, which is included in accounts payable. At August 31, 2021, the Company owes $20,000 (May 31, 2021 - $20,000) directly to key management personnel, which is included in loans payable. These amounts are unsecured, non-interest bearing and due on demand.

On July 31, 2020, the Company issued 12,500 common shares with a fair value of $5,000 to settle $5,000 of director fees charged in 2020.

On March 2, 2021, pursuant to the terms of a settlement agreement dated September 3, 2020 between the Company and the former CEO, the Company transferred 13,271 shares of FCM Global, S.A.A.("FCM") to the former CEO in return for the full and final release of the Company from claims in regards to compensation owing to the former CEO as of the date of his departure. The Company acquired the 13,271 shares of FCM when it was pursuing the acquisition of FCM in 2019. The fair value of the 13,271 shares of FCM was fully impaired as of May 31, 2019 when the acquisition of FCM was no longer pursued by the Company.

FINANCIAL RISK MANAGEMENT

The Company is exposed to minimal financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Interest rate

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash on hand to meet its financial obligations. Liquidity risk is assessed as moderate.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its cash and promissory notes. The risk on cash is managed through the use of a major financial institution which has a high credit quality as determined by rating agencies. The Company is exposed to risk is on its promissory note, which is secured and receivable from two arm's length parties. Credit risk is assessed as moderate.

Foreign exchange rate risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company's promissory notes are denominated in United States dollars. The Company does not hedge its exposure to fluctuations in foreign exchange rates. At August 31, 2021, a 10% change in the United States dollar to Canadian dollar exchange rate would impact the Company's net loss by $239,650.

CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to carry out its business plan and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company depends on external financing to fund its activities. The capital structure of the Company consists of common shares. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets or adjust the amount of cash.

There were no changes in the Company's approach to capital management during the period. There are no externally imposed capital requirements.

CLASSIFICATION OF FINANCIAL INSTRUMENTS

Fair values

The fair values of cash and accounts payable approximate their carrying values due to the short-term to maturities of these financial instruments.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Cash is measured at fair value using level 1 input.

ADDITIONAL INFORMATION

Off-Balance Sheet Arrangements

As at August 31, 2021, and up to the date of this MDA, the Company had no off-balance sheet arrangements.

Legal proceedings

As at the current date of this MDA, management was not aware of any legal proceedings involving the Company.

Outstanding Share Data

As at the date of this MDA, the Company has the following outstanding securities:

1) 29,307,965 common shares
2) 58,000 stock options outstanding with a weighted average price of $5.73 as at the date of this report.
3) 24,300,368 warrants outstanding with a weighted average exercise price of $0.37.

CONTINGENT LIABILITIES

As at August 31, 2021 and up to the date of this MDA management was not aware of any outstanding contingent liabilities relating to the Company's activities.

Any forward-looking information in this MDA is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the company, and other factors.

FORWARD-LOOKING INFORMATION

This MDA contains certain forward-looking statements and information relating to the Company that is based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words “anticipate”, “believe”, “estimate”, “expect” and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. This MDA contains forward-looking statements relating to, amongst other things, regulatory compliance and the sufficiency of current working capital. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties, and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Aside from factors identified in the annual MDA, additional, important factors, if any, are identified here.

RISKS AND UNCERTAINITIES

Risk is inherent in all business activities and cannot be entirely eliminated. Our goal is to enable the Company’s business processes and opportunities by ensuring that the risks arising from our business activities, the markets and political environments in which we operate is mitigated. The risks and uncertainties described in the annual MDA for the year ended May 31, 2021 are considered by management to be the most important in the context of the Company’s business and are substantially unchanged as of the date of this report. Those risks and uncertainties described are not inclusive of all the risks and uncertainties the Company may be subject to and other risks may apply.

CAPITAL DISCLOSURE

The Company manages its capital structure and makes adjustments to it based on the funds available to the Company, in order to support the acquisition of a new business. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company’s management to acquire and sustain future development of a business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company’s approach to capital management during the period ended August 31, 2021. The Company is not subject to externally imposed capital requirements.

MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management, and have been examined and approved by the Board of Directors. The financial statements were prepared by management in accordance with IFRS and include certain amounts based on management’s best estimates using careful judgment. The selection of accounting principles and methods is management’s responsibility.

Management recognizes its responsibility for conducting the Company’s affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities. The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors.

This committee’s role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company’s accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company’s management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.