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 December 19, 2023, should be read in conjunction with the condensed interim consolidated financial statements for the period ended November 30, 2023 and 2022 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 1890 – 1075 West Georgia Street Vancouver, British Columbia, V6E 3C9.

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.sedarplus.ca or by requesting further information from the Company's head office in Vancouver.

DESCRIPTION OF BUSINESS

The Company was incorporated under the Business Corporations Act of 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 7, 2023, the Company appointed Mr. Guy Bourgeois and Ms. Amanda Boudreau as Directors of the Company.

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 issuance 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.

HIGHLIGHTS AND OVERALL PERFORMANCE (CONTINUED)

2740162 Ontario Inc. (August Therapeutics) Letter of Intent (Continued)

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 May 31, 2022, the Company advanced an additional $187,832 (US$150,000) note to Ketiko on the same terms as the initial advance.

At May 31, 2022, $2,278,745 (US$1,801,664) of the notes had reached maturity and had not been repaid. During the year-ended May 31, 2022, the Company deemed the notes to be uncollectable, and recorded impairment expense of $2,502,912, resulting in a balance of $nil in promissory note receivable as at May 31, 2023 and November 30, 2023.

On December 19, 2022, the Company entered into a debt settlement agreement (the "Debt Settlement Agreement") with August Therapeutics and Ketiko (the "Debtors") relating to the promissory notes the Company extended to the Debtors in prior years. The Debtors are in the process of settling and entering into an Asset Purchase Agreement with Therma Bright Inc. ("Therma") where the Debtors will sell certain assets in exchange for 55,000,000 shares of Therma (the "Consideration Shares"). On October 23, 2023, the Debtors transferred 25,000,000 Consideration Shares with a fair value of $875,000 to fully satisfy the outstanding debt with the Company and recorded a recovery of promissory notes of $875,000.

RESULTS OF OPERATIONS

For the period ended November 30, 2023 ("2023"), the Company had a net income of $385,986 compared to net income of $68,327 during the period ended November 30, 2022 ("2022"). In general, the Company's operations decreased during the period ended 2023 as the Company focused on managing cashflow to ensure the Company has adequate cash. A discussion and analysis of the changes are below:

- Consulting fees decreased to $nil in 2023 from $15,750 in 2022 as the Company did not hire consultants compared to the previous period.

- The Company incurred management fees of $45,000 in 2023, which is the same as the $45,000 in the comparative period.

- Professional fees decreased to $56,745 in 2023 from $59,332 in 2022 as the Company required fewer professional services. The decrease is immaterial.

- Office administration decreased to $48 in 2023 from $6,449 in 2022. The decrease relates to management of cashflows and an overall decrease in expenditures during the period.

- Regulatory and transfer agent fees increased to $12,221 in 2023 from $6,458 in 2022. The increase is immaterial.

- Share based compensation decreased to $nil in 2023 from $889 in 2022 due to the vesting schedule of the stock options granted to a former Director. The stock options fully vested in the prior year.

- Recovery of promissory notes increased to $875,000 in 2023 from $nil in 2022. The increase relates to the recovery of promissory notes from prior years from the receipt of Therma Bright shares with a fair value of $875,000.

RESULTS OF OPERATIONS (CONTINUED)

- Unrealized losses on marketable securities increased to $375,000 in 2023 from $nil in 2022. The increase relates to the Therma Bright shares received for recoveries of promissory notes from prior years. The fair value of the shares was $875,000 on receipt, but the fair value as at November 30, 2023 was $500,000.

For the three month period ended November 30, 2023 ("Q2 2023"), the Company had a net income of $431,337 compared to net income of $130,101 during the period ended November 30, 2022 ("Q2 2022"). The increase in net income in Q2 2023 is primarily due to the recovery of promissory notes of $875,000 offset by the unrealized loss on marketable securities of $375,000. In Q2 2022, the net income is related to the write-off of accounts payable of $202,205 offset by operating expenses of $72,104 for the period. The write-off of accounts payable was reversed in Q4 2022 ending May 31, 2023.

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:

	November 30, 2023 -$-	*August 31, 2023* -$-	*May 31, 2023* -$-	*February 28, 2023* -$
Total assets	503,523	3,536	3,992	4,100
Working capital (deficiency)	(528,987)	(960,324)	(914,973)	(823,876)
Shareholders' equity (deficiency)	(528,987)	(960,324)	(914,973)	(823,876)
Net income (loss) for the period	431,337	(91,097)	(91,097)	(256,921)
Earnings (loss) per share	0.01	(0.00)	(0.00)	(0.00)

	November 30, 2022 -$-	*August 31, 2022* -$-	*May 31, 2022* -$--	*February 28, 2022* -$-
Total assets	5,411	5,857	9,430	2,635,293
Working capital (deficiency)	(566,955)	(697,166)	(636,171)	2,032,507
Shareholders' equity (deficiency)	(566,955)	(697,166)	(636,171)	2,032,507
Net income (loss) for the period	130,101	(61,774)	(2,669,458)	(54,010)
Earnings (loss) per share	0.00	(0.00)	(0.09)	(0.00)

During the period ended November 30, 2022, the Company recorded net income of $130,101 as a result of the write-off of accounts payables of $202,205 offset by the Company's operating expenses of $72,104. The write-off of accounts payable was reversed as at May 31, 2023.

During the period ended November 30, 2023, the Company recorded net income of $431,337 as a result of a recovery of $875,000 on the Company's promissory notes from prior years offset by an unrealized loss of $375,000 on marketable securities.

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 November 30, 2023 was $20,131 (2022 - $50,322), the Company repaid vendors during the period.

Net cash received from financing activities for the period ended November 30, 2023 was $19,662 (2022 - $46,333). During the period ended November 30, 2023, the Company received loans of $19,662 from a related party. In the comparative period, the Company received $33,000 from a related party and $13,333 from arm's length parties.

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
Guy Bourgeois, Director *(Appointed on June 7, 2023)*
Amanda Boudreau, Director *(Appointed on June 7, 2023)*
Robin Linden, Former Director *(Resigned on July 8, 2022)*
Sam Jenkins, Former Director *(Resigned on July 8, 2022)*
Kevin Taylor, Former Director *(Resigned on June 10, 2022)*

The following are the transactions with related parties during the periods ended November 30, 2023, and 2022, respectively:

	2023	2022
Management fees paid or accrued to the CEO and related companies	$ 45,000	$ 45,000
Share based compensation to a former Director of the Company	-	889
Total	$ 45,000	$ 45,889

At November 30, 2023, the Company owes $370,000 (May 31, 2023 - $325,000) directly or to companies controlled by key management personnel, which is included in accrued liabilities. At November 30, 2023, the Company owes $72,662 (May 31, 2023 - $53,000) directly to key management personnel, which is included in loans payable. These amounts are unsecured, non-interest bearing and due on demand.

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.

FINANCIAL RISK MANAGEMENT (CONTINUED)

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 high.

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. 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 was exposed to risk is on its promissory note, which is secured, however the promissory notes were impaired to $nil during the year ended May 31, 2022 and the Company has minimal credit risk exposure as a result. Credit risk on promissory notes is assessed as high. Credit risk on cash is assessed as low.

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 November 30, 2023, a 10% change in the United States dollar to Canadian dollar exchange rate would impact the Company's net loss by $nil (May 31, 2023 - $nil).

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 year. There are no externally imposed capital requirements.

CLASSIFICATION OF FINANCIAL INSTRUMENTS

Fair values

The fair values of cash, loans payable 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.

CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair values (Continued)

The Company's cash is measured using level 1 inputs. The Company's investment portfolio are measured using the most reliable measure of fair value and range from level 1 to level 3 inputs. During the period ended November 30, 2023 and year ended May 31, 2023, there were no transfers between levels. The Company's measurement of the fair value of financial instruments as at November 30, 2023 and May 31, 2023 in accordance with the fair value hierarchy is as follows:

		Total		Level 1		Level 2		Level 3
November 30, 2023								
Cash	$	3,523	$	3,523	$	-	$	-
Marketable securities	$	500,000	$	-	$	500,000	$	-
Accounts payable and accrued liabilities	$	922,515	$	922,515	$	-	$	-
Loan payable	$	109,995	$	109,995	$	-	$	-
May 31, 2023								
Cash	$	3,992	$	3,992	$	-	$	-
Accounts payable and accrued liabilities	$	828,632	$	828,632	$	-	$	-
Loan payable	$	90,333	$	90,333	$	-	$	-

ADDITIONAL INFORMATION

Off-Balance Sheet Arrangements

As at November 30, 2023, 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) Nil stock options outstanding.
3) Nil warrants outstanding.

CONTINGENT LIABILITIES

As at November 30, 2023 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.

ADDITIONAL INFORMATION (CONTINUED)

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 period ended November 30, 2023 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 November 30, 2023. 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.