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 September 26, 2024, should be read in conjunction with the consolidated financial statements for the year ended May 31, 2024 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.

On March 13, 2024, Mr. Joel Dumaresq resigned as CEO, CFO and Director of the Company and Mr. Guy Bourgeois was appointed as CEO and CFO of the Company.

2740162 Ontario Inc. (August Therapeutics) and Ketiko Bio Corp. Promissory Notes

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") which expired 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. The notes were recorded at fair value using a discount rate of 20% at initial recognition and subsequently.

During the years ended May 31, 2021 and 2022, the Company extended to Ketiko Bio Corp. ("Ketiko") notes bearing interest of 1% per annum calculated monthly. The notes matured and were due and payable on October 28, 2021. The notes were recorded at fair value using a discount rate of 20% at initial recognition and subsequently.

HIGHLIGHTS AND OVERALL PERFORMANCE (CONTINUED)

2740162 Ontario Inc. (August Therapeutics) and Ketiko Bio Corp. Promissory Notes (Continued)

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 balance of $nil in promissory notes receivable as at May 31, 2022 and 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. During the year ended May 31, 2024, the Debtors entered into an Asset Purchase Agreement with Therma Bright Inc. ("Therma") where the Debtors sold certain assets in exchange for 55,000,000 shares of Therma (the "Consideration Shares"). On October 23, 2023, pursuant to the Debt Settlement Agreement, 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 year ended May 31, 2024 ("2024"), the Company had a net loss of $61,822 compared to net loss of $279,691 during the year ended May 31, 2023 ("2023"). In general, the Company's operations decreased during the period ended 2024 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 2024 from $39,900 in 2023 as the Company did not hire consultants in 2024.

- The Company incurred management fees of $76,500 in 2024, which is a decrease from $90,000 in the comparative period. In 2024, the Company appointed a new CEO, and during the transition period the management fees have decreased.

- Professional fees increased to $213,549 in 2024 from $131,299 in 2023 due to an increase in legal fees relating to the Debt Settlement Agreement with the Debtors.

- Office administration decreased to $3,034 in 2024 from $4,163 in 2023. The decrease relates to management of cashflows and an overall decrease in expenditures during the period.

- Regulatory and transfer agent fees increased to $23,281 in 2024 from $13,440 in 2023. The increase relates to fees during 2024 for the Company's transfer agent and third party consultant for regulatory fees, the Company's filing fees for the CSE are comparable to the prior year period.

- Share based compensation decreased to $nil in 2024 from $889 in 2023 due to the vesting schedule of the stock options granted to a former Director. The stock options fully vested in the prior year.

RESULTS OF OPERATIONS (CONTINUED)

- Recovery of promissory notes increased to $875,000 in 2024 from $nil in 2023. 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.

- Loss on marketable securities increased to $620,500 in 2024 from $nil in 2023. The increase relates to the Therma shares received for recoveries of promissory notes from prior years pursuant to the Debt Settlement Agreement. The fair value of the shares was $875,000 on receipt, during the year ended May 31, 2024, the Company sold all the shares for $254,500 and realized a loss of $620,500.

For the three month period ended May 31, 2024 (“Q4 2024”), the Company had a net loss of $398,887 compared to net loss of $91,097 during the period ended May 31, 2023 (“Q4 2023”). The increase in net loss in Q4 2024 is primarily due to the increase in loss on marketable securities for the period.

- Consulting fees decreased to $nil in Q4 2024 from $9,450 in Q4 2023 as the Company did not hire consultants in 2024.

- The Company incurred management fees of $9,000 in Q4 2024, which is a decrease from $22,500 in the comparative period. In 2024, the Company appointed a new CEO, and during the transition period the management fees have decreased.

- Professional fees increased to $137,904 in Q4 2024 from $57,892 in Q4 2023 due to an increase in legal fees relating to the Debt Settlement Agreement with the Debtors.

- Office administration increased to an expense of $2,925 in Q4 2024 from a recovery of $2,577 in Q4 2023. In Q4 2023, the Company recorded a recovery of office expenses of $2,709 and in Q4 2024 the Company incurred commission fees of $2,918 relating to the sale of marketable securities.

- Regulatory and transfer agent fees decreased to $3,600 in Q4 2024 from $3,832 in Q4 2023. The decrease relates to management of cashflows and an overall decrease in expenditures during the period.

- Losses on marketable securities increased to $245,500 in Q4 2024 from $nil in Q4 2023. The increase relates to the sale of the Therma shares received for recoveries of promissory notes from prior years pursuant to the Debt Settlement Agreement. The fair value of the shares was $875,000 on receipt. The Company sold all the shares for $254,500 in Q4 2024 and had a loss of $245,500 for Q4 2024.

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.

SELECTED ANNUAL INFORMATION

A summary of selected annual financial information for the last three fiscal years as follows, as expressed in Canadian dollars:

	As at May 31, 2024 ($)	As at May 31, 2023 ($)	As at May 31, 2022 ($)
Net and comprehensive loss	61,822	279,691	2,619,996
Net loss per share	0.00	0.01	0.09
Total assets	193,462	3,992	9,430
Total liabilities	1,170,257	918,965	645,601

SELECTED ANNUAL INFORMATION (CONTINUED)

During the year ended May 31, 2022, the Company deemed its promissory notes collectible from prior years were uncollectible and thus recorded an impairment of $2,502,912 on the promissory notes.

During the year ended May 31, 2023, the Company had a net increase in accounts payable and accrued liabilities of approximately $227,031. The Company accrued management fees due to the CEO of $90,000, accrued professional fees to third parties of approximately $80,000 and recorded accounts payable due to vendors of approximately $55,000. Additionally, during the year ended May 31, 2023, the Company received aggregate loans of $46,333.

During the year ended May 31, 2024, the Company had a net increase in accounts payable and accrued liabilities of approximately $259,387. The Company accrued management fees due to the former CEO of approximately $76,250, accrued professional fees to third parties of approximately $49,000 and recorded accounts payable due to vendors of approximately $134,000. Additionally, during the year ended May 31, 2024, the Company received aggregate loans of $19,662 of which $27,757 was repaid, and received cash of $254,500 from the sale of marketable securities.

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:

	May 31, 2024 -\$-	*February 29, 2024* -\$-	*November 30, 2023* -\$-	*August 31, 2023* -\$-
Total assets	193,462	502,710	503,523	3,536
Working capital (deficiency)	(976,795)	(577,908)	(528,987)	(960,324)
Shareholders' equity (deficiency)	(976,795)	(577,908)	(528,987)	(960,324)
Net income (loss) for the period	(398,887)	(48,921)	431,337	(45,351)
Earnings (loss) per share	(0.01)	(0.00)	0.01	(0.00)

	May 31, 2023 -\$-	*February 28, 2023* -\$	*November 30, 2022* -\$-	*August 31, 2022* -\$-
Total assets	3,992	4,100	5,411	5,857
Working capital (deficiency)	(914,973)	(823,876)	(566,955)	(697,166)
Shareholders' equity (deficiency)	(914,973)	(823,876)	(566,955)	(697,166)
Net income (loss) for the period	(91,097)	(256,921)	130,101	(61,774)
Earnings (loss) per share	(0.00)	(0.00)	0.00	(0.00)

During the period ended May 31, 2023, the Company recorded a let loss of $91,097 as a result of the Company's operating expenses. The expenses were lower for May 31, 2023 as the Company had minimal funds in the prior year and was focused on managing its cashflow.

During the period ended February 28, 2023, the Company recorded net loss of $256,921 as a result of the write-off of accounts payables of $202,205 offset by the Company's operating expenses of $54,716. The write-off of accounts payable was reversed as at May 31, 2023.

During the period ended August 31, 2023, the Company recorded a net loss of $45,351 as a result of the Company's operating expenses. The expenses were lower for August 31, 2023 as the Company had minimal funds at the beginning of the year and was focused on managing its cashflow.

During the period ended November 30, 2023, the Company recorded net income of $431,337 as a result of receiving shares of Therma pursuant to the Debt Settlement Agreement and recording a recovery of promissory notes of $875,000. During the period, the fair value of the shares decline in value resulting in an unrealized loss of $375,000.

SUMMARY OF QUARTERLY FINANCIAL RESULTS (CONTINUED)

During the period ended February 29, 2024, the Company recorded net loss of $48,921 as a result of the Company's operating expenses. The overall results are comparable to the prior year of $54,716 in operating expenses, however in the prior year the Company also recorded a write-off of accounts payable of $202,205 which resulted in a net loss of $256,921.

During the period ended May 31, 2024, the Company recorded net loss of $398,887 as a result of the Company realizing a loss of $245,500 on the sale of Therma shares and had operating expenses of approximately $153,429.

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 year ended May 31, 2024 was $56,935 (2023 - $51,771), the Company repaid vendors during the period.

Net cash used in financing activities for the year ended May 31, 2024 was $8,095 (2023 - $46,333 received from financing activities). During the year ended May 31, 2024, the Company received loans of $19,662 from a former related party and made repayments of $27,757. In the comparative period, the Company received $33,000 from a former 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, Former CEO, CFO and Director (*Resigned on March 13, 2024)*
Guy Bourgeois, CEO, CFO and Director *(Appointed as Director on June 7, 2023, CEO and CFO on March 13, 2024)*
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 years ended May 31, 2024, and 2023, respectively:

	2024	2023
Management fees paid or accrued to Joel Dumaresq, former CEO and related companies	$ 71,250	$ 90,000
Management fees paid or accrued to Guy Bourgeois, CEO	5,250	-
Share based compensation to Sam Jenkins, a former Director of the Company	-	889
Total	$ 76,500	$ 90,889

At May 31, 2024, the Company owes $391,250 (May 31, 2023 - $325,000) directly or to companies controlled by key management personnel, which is included in accrued liabilities. At May 31, 2024, the Company owes $44,905 (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.

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 global financial services provider specializing in payment solutions and foreign exchange management. Although the financial services provider is not a financial institution, the Company has assessed its credit risk exposure to the financial services provider as moderate, based on the provider's historical performance and market standing.

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 does not hedge its exposure to fluctuations in foreign exchange rates. At May 31, 2024, the Company has minimal impact from foreign exchange risk as it does not hold any assets in foreign currencies.

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, 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.

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 years ended May 31, 2024 and year ended May 31, 2023, there were no transfers between levels.

ADDITIONAL INFORMATION

Off-Balance Sheet Arrangements

As at May 31, 2024, 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 May 31, 2024 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 year ended May 31, 2024 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 year ended May 31, 2024. 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.