

## MANAGEMENT DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED NOVEMBER 30, 2023

---

Management's discussion and analysis ("MD&A") provides a detailed analysis of the results and financial condition of Telescope Innovations Corp. (the "Company") for the period ended November 30, 2023. The following MD&A should be read in conjunction with the Company's condensed consolidated interim financial statements for the period ended November 30, 2023, and the audited consolidated financial statements for the year ended August 31, 2023, and the notes thereto (collectively, the "Financial Statements"), which have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Other information contained in these documents has also been prepared by management and is consistent with the data contained the Financial Statements.

This Management's Discussion and Analysis ("MD&A") is dated January 29, 2024, and discloses specified information up to that date. Unless otherwise cited, references to dollar amounts are in Canadian dollars. This MD&A contains "forward-looking statements" that are subject to risk factors including those set out in the "Cautionary Statement" at the end of this MD&A. All information contained in this MD&A is current and has been approved by the Company's Board of Directors as of January 29, 2024, unless otherwise indicated. Throughout this report we refer to "Telescope", the "Company", "we", "us", "our", or "its". All these terms are used in respect of Telescope Innovations Corporation. **We recommend that readers consult the "Cautionary Statement" on the last page of this report.** Additional information relating to the Company is available on the Company's website at [www.telescopeinnovations.com](http://www.telescopeinnovations.com) and on SEDAR at [www.sedarplus.com](http://www.sedarplus.com).

The condensed consolidated interim financial statements for the period ended November 30, 2023, have been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. During the period ended November 30, 2023, the operations of the Company were primarily funded by positive cash flow generated by the Company's operations.

The continued operations of the Company are dependent on its ability to develop a sufficient financing plan, receive continued financial support from related parties, complete sufficient public equity financing, or continue to generate profitable operations in the future. The condensed consolidated interim financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue business.

### Description of Business

Telescope Innovations Corp. ("Telescope") or ("the Company") is a chemical technology company developing scalable manufacturing processes and tools for the pharmaceutical, specialty chemical and next generation clean energy industries. The Company builds, combines and deploys new enabling technologies including flexible robotic platforms, advanced analytical tools and machine learning which improve experimental throughput, efficiency, process insight and data quality. A key area of application for these tools is the development of optimized, scalable manufacturing processes. Telescope also applies these tools in performing Contract Research Services for clients to resolve inefficiencies in industrial process chemistry and manufacturing.

The Company was incorporated on July 30, 2019, with the intention of focusing on the rapidly expanding and unmet demand for pharmaceutical-grade tryptamine compounds currently being studied in clinical trials for several therapeutic areas such as treatment resistant depression, post traumatic stress disorder, alcoholism and palliative care. To address this need, the Company is developing proprietary processes compatible with the standards of cGMP. The sale or licensing of Company-developed intellectual property forms a core component of the Company's business model.

On May 31, 2021, ClearMynd Technology Solutions Corp. ("ClearMynd") closed a Share Exchange Agreement with Telescope, whereby Telescope acquired all the issued and outstanding securities in the capital of ClearMynd in exchange for common shares of Telescope. The acquisition of ClearMynd by Telescope is accounted for as a reverse takeover, whereby, ClearMynd is deemed to be the acquirer and Telescope is deemed to be the acquiree. The acquisition constitutes an asset acquisition as Telescope did not meet the definition of a business as defined in IFRS 3, *Business Combinations*.

## MANAGEMENT DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED NOVEMBER 30, 2023

---

As a result, the net assets of Telescope were deemed to be acquired at fair value by ClearMynd and share capital of Telescope is eliminated as a result of the acquisition.

In September 2021, Telescope completed its direct listing on the Canadian Securities Exchange (the “CSE”), and its common shares commenced trading on the CSE on September 27, 2021, under the ticker symbol “TELI”.

On August 30, 2022, Telescope completed its amalgamation with ClearMynd.

Operations and development efforts thus far have focused on three strategic areas: i) The development of autonomous process optimization laboratory systems to accelerate chemical process research (“Telescope Automation”); ii) the application of these tools to discover and develop scalable synthetic pathways for mental health medicines (“Telescope Health”); and iii) the application of Telescope Automation tools to resolve process manufacturing inefficiencies in the chemical industry (“Telescope Industries”).

Telescope Automation launched its first product, the Direct Inject Liquid Chromatography (“DILC”) platform, in June 2022. The DILC™ is an innovative instrument for real-time, *in situ* sampling and immediate analysis of chemical reactions. The Company expects that the commercial deployment and insight provided by DILC™ technology will highlight the unique combination of skills Telescope provides to support the characterization and development of chemical, biopharmaceutical, and manufacturing processes. The Company commenced commercial sales of the DILC™ during the most recent quarter.

Under the Telescope Health banner, the Company has filed a Patent Cooperation Treaty (“PCT”) patent application to protect its novel, scalable synthetic process for tryptamine-based analogs and precursors. The PCT application, published in July 2022, claims priority to provisional applications filed in December 2020 and October 2021. The synthetic approach described is well-positioned for cGMP optimization due to the use of simple, abundant starting materials and a limited number of synthetic steps. The chemical flexibility of the processes enables the exploration of many other valuable tryptamine-based compounds, including dimethyltryptamine, harmaline, mupirocin, ibogaine, melatonin, lysergic acid diethylamide, serotonin and bufotenine, among others. The patent also covers a set of proprietary Novel Chemical Entities (“NCEs”) in the tryptamine family that are being evaluated by many third-party drug screening and neurochemical companies for therapeutic potential. Positive results from these studies could warrant preclinical development of Telescope’s proprietary processes for the synthesis of next-generation psychedelic therapeutics, targeting improvements in safety, potency, specificity, or tunability relative to known candidates.

Since March 2022, the Telescope Industries division has applied the Company’s tools to address previously intractable challenges in chemical manufacturing, engineering, next generation clean energy and mining. The Company has been engaged by various industrial clients seeking crucial chemical studies to enable process manufacturing, or to evaluate novel processes and technologies for potential deployment. Clients include Natural Resources Canada, Standard Lithium Ltd., and a large multinational engineering company. The Company expects these engagements to illuminate industrial pain points that can be targeted with its unique technology, creating valuable products and services for the chemical manufacturing sector, such as high purity lithium and key metal utilized in current and new battery technologies.

Over the next year, Telescope intends to continue deploying its autonomous process optimization technologies through product sales, and focused contract research engagements addressing specific chemical research, development, or manufacturing bottlenecks for client companies. The Company anticipates that R&D activities will result in filing additional provisional patents related to novel processes and technologies over the next twelve months and may license these processes for commercial application (development and manufacturing).

### **Financial Highlights**

The Company reported gross revenues and operating expenses of \$1,504,852 and \$1,298,852, respectively, resulting in net income of \$215,000 for the three month period, an increase in revenues of \$993,787 from the previous period. The increase in revenue and net income is primarily attributed to an increase in DirectInject™ sales.

## **MANAGEMENT DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED NOVEMBER 30, 2023**

---

On November 10, 2022, the Company closed a private placement and issued a total of 4,879,499 units at a price of \$0.30 per unit for total proceeds, less share issuance costs, of \$1,430,054.

Company allocated \$1,382,285 of the proceeds to share capital and \$47,668 for the fair value of warrants to reserves using the residual value method. Each unit consists of one common share of the Issuer and one-half-of-one common share purchase warrant. Each Warrant entitles the holder to purchase one additional common share of the Issuer at a price of \$0.75 per warrant share until November 10, 2024, subject to accelerated expiry at the option of the Company in the event the closing price of the Shares on the Canadian Securities Exchange is \$1.00 or more for ten consecutive trading days. The Units were offered pursuant to exemptions from the registration and prospectus requirements of applicable securities legislation. The Company paid finders' fees of \$33,796 related to the private placement, which was recorded as share issuance costs.

Insiders of the Company subscribed for an aggregate of 1,160,332 Units. The issuances of Units to insiders pursuant to the Offering are considered related party transactions within the meaning of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“MI 61-101”). The Company relied on exemptions from the formal valuation and minority approval requirements in sections 5.5(a) and 5.7(1)(a) of MI 61-101 in respect of insider participation as, at the time the transaction was agreed to, neither the fair market value of, nor the fair market value of the consideration for, the transaction, insofar as it involves interested parties, exceeded 25% of the Company's market capitalization.

The Company has used the net proceeds from the Offering for working capital and general corporate purposes. The securities issued by the Company under the Offering are subject to restrictions on resale in accordance with applicable securities laws. These restrictions expired on March 11, 2023. No finders' fees or commissions were paid by the Company in connection with completion of the Offering.

On September 1, 2022, the Company upgraded to trade on the OTCQB market. The Company anticipates that upgrading to the OTCQB will provide greater liquidity and a more seamless trading experience for our U.S. shareholders. Further, enhanced reporting requirements and greater transparency required with the OTCQB listing, the upgrade also provides exemptions from U.S. state securities laws or “blue sky” exemptions which may help to further increase liquidity and expand investment advisors' ability to research and recommend investment in Telescope.

### ***Operational Highlights***

#### **AUTOMATION AND ANALYTICAL PRODUCTS AND SERVICES FOR PHARMACEUTICAL R&D**

##### **Technology Platform Development Contracts**

The Company has been engaged by pharmaceutical manufacturers to develop customized automation workflows for self-driving laboratories to compress the development timelines. Additionally, thirteen of the Top Twenty Pharmaceutical companies in the world have purchased and integrated Telescope Innovations' automation tools, like the Company's DirectInject™-LC product.

##### **Product Distribution and Development Agreement**

Telescope continued to negotiate a distribution agreement for our flagship DirectInject™-LC product, a technology for automated chemistry process analysis. Discussions are ongoing with multiple market-leading global scientific instrument manufacturers. This approach will rapidly bring our products to our customers across the globe without a high initial capital outlay and ongoing overhead costs or international distribution. In addition to the Distribution Agreement, negotiations are also underway with those same companies to establish a product development agreement for those Distribution Partners to fund Telescope Innovations' development of future products. These Distribution and Product Development Agreements are expected to be in effect in early 2024.

## **MANAGEMENT DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED NOVEMBER 30, 2023**

---

### **Technology Partnership with Mott for New Product Development**

Telescope recently partnered with Mott Corporation to develop and commercialize a novel robotic sampling probe for chemical analysis and purification. This new technology would enable accurate analysis of very common but often intractable chemistries in pharmaceutical and chemical manufacturing.

Moreover, this probe would expand Telescope's portfolio of automated platforms for chemistry analysis and process development, building on the momentum of its successful first product, the DirectInject™-LC system.

### **Participation in Industry and Scientific Conferences**

To continue our participation in the relevant scientific communities and to promote business development activities, Telescope Innovations has presented their research, participated in expert panel discussions and roundtables, and/or had commercial booth space in the exposition portion of the following conferences since September of 2023:

- 50<sup>th</sup> Organic & Process Development Conference in Barcelona, Spain
- BioPharma Roundtable organized by Mettler-Toledo AutoChem and hosted at F. Hoffmann-La Roche AG (Roche) in Basel, Switzerland
- Contract Pharma - Contracting and Outsourcing Conference & Exposition in New Brunswick, NJ
- Direct Lithium Extraction 2023 Expo and Conference in Anaheim, CA

### **Secured New Office and Laboratory Space to Accommodate Company Growth**

The Company has leased and occupied a larger office and laboratory space (7100+ Sq ft). The new space is located in a highly coveted technology spin-out building on the campus of the University of British Columbia in Vancouver which replaces the sub-let and shared portion of the office/laboratory space in the facilities of Augurex Life Sciences Corporation. The Company's new facility not only provides 5x more space to accommodate its rapidly growing operations but is also conveniently located on the campus of UBC providing access to many potential collaborators and new graduating talent from the University and is situated close to the academic laboratory of Prof Jason Hein, the Founder of the Telescope Innovations. This space was already designed and equipped with appropriate lab benches, fume hoods, safety showers, HVAC, etc. Other options for similarly appropriate office and laboratory space required to conduct the type of science the company does would have required significant CapEx "build-out" expenses.

### **Intellectual Property Development**

#### **Patent granted for scalable manufacturing process for indoles**

Telescope Innovations has been granted a Canadian patent, through its wholly-owned subsidiary, for a scalable manufacturing process to produce pharmaceutically-relevant indole compounds. The patented chemical synthesis facilitates high-quality, scalable manufacturing because it reduces the number of synthetic steps as compared to current methods, utilizes cost effective and readily available starting materials, and leverages chemical manufacturing techniques that are already standard practice in the pharmaceutical industry. Along with the novel synthetic route, Telescope also patented a set of new molecules that may become candidates for preclinical development.

## **MANAGEMENT DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED NOVEMBER 30, 2023**

---

### **Filed provisional patent application for production of lithium sulfide, a key precursor for next-generation solid-state batteries**

As an outcome of work with Standard Lithium Ltd., Telescope has invented a low-temperature method of generating lithium sulfide from brine-sourced lithium chemicals. This method could reduce the current high costs of lithium sulfide production, and so facilitate the widespread deployment of solid-state batteries.

### **Filed for a provisional patent for purification of Lithium Carbonate for battery materials**

The provisional application describes a single-step process that produces battery-grade, >99.9% lithium carbonate from crude material of 20-95% purity. This technology can dramatically reduce the requirement for pre-processing of crude lithium brine feeds, which conventionally accounts for up to 80% of refinement costs. Telescope Innovations leveraged utilized cross-sector innovation to achieve this breakthrough. We brought the cutting-edge tools we use to advance pharmaceutical R&D, like our online analytical platforms, automation, and artificial intelligence tools, and applied them to the battery manufacturing space.

### **ONGOING RESEARCH PROJECTS TO DEVELOP AUTOMATION TOOLS FOR CLEANTECH AND CRITICAL MINERALS R&D**

#### **Natural Resources Council of Canada**

- Natural Resources Canada (NRCan), a Canadian government agency, has selected Telescope as an innovation partner to develop an autonomous laboratory platform powered by robotics, artificial intelligence, and Telescope's unique chemical analysis technology.
- This engagement explicitly aligns Telescope's research activities with federal priorities on technology innovation.
- The automation platform will aim to increase the efficiency of lithium extraction, purification, and crystallization to address rising demands for battery materials and clean energy.
- We are expanding Telescope's contract research offerings. This project is synergistic to an ongoing collaboration between Telescope and Standard Lithium, a leading Canadian lithium developer pioneering a new wave of lithium production in North America.
- This project may lead to the development of new intellectual property addressing market-driven needs for lithium supply technologies.

#### **Hatch Ltd**

The Company has conducted chemistry and purification research and development for building Lithium Manufacturing Facilities for global clients.

#### **Mining Innovation Commercialization Accelerator Grant**

The Company has been awarded \$292,333 through Canada's Mining Innovation Commercialization Accelerator ("MICA") Network. Funds are to support Telescope's development of carbon-negative production of lithium carbonate from continental brines. Telescope will deploy its unique automation and analytical technologies to accelerate the development cycle for such processes, targeting the production of battery-grade lithium carbonate from brine sources of varying quality. In synergy with Telescope's collaborative research efforts with Standard Lithium Ltd. and Natural Resources Canada, this project will contribute to increasing production capacity for a crucial battery material while actively enabling a lower-carbon economy.

## MANAGEMENT DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED NOVEMBER 30, 2023

### Summary of Quarterly Financial Results

The following is a summary of certain financial information concerning the Company for the last eight quarters ended November 30, 2023, in accordance with IFRS.

	Three Months Ended November 30, 2023 \$	Three Months Ended August 31, 2023 \$	Three Months Ended May 31, 2023 \$	Three Months Ended February 28, 2023 \$
Total assets	5,804,094	3,290,512	3,244,904	3,708,317
Total long-term liabilities	1,880,546	-	-	-
Working capital	820,780	493,797	1,493,942	1,337,757
Revenue	1,504,852	483,618	1,012,999	816,328
Comprehensive income (loss)	215,000	(527,020)	67,847	11,314
Basic and diluted income (loss) per share	0.00	(0.01)	0.00	0.00

	Three Months Ended November 30, 2022 \$	Three Months Ended August 31, 2022 \$	Three Months Ended May 31, 2022 \$	Three Months Ended February 28, 2022 \$
Total assets	3,796,349	3,023,559	2,171,325	2,935,013
Total long-term liabilities	-	-	-	-
Working capital	1,307,029	145,576	574,313	1,521,286
Revenue	511,065	595,398	-	-
Comprehensive income (loss)	(270,235)	(745,702)	(990,248)	(3,218,778)
Basic and diluted loss per share	0.00	(0.01)	(0.02)	(0.07)

### Summary of Annual Financial Results

The following selected financial information is taken from the audited financial statements and should be read in conjunction with those statements.

	Year Ended August 31, 2023 \$	Year Ended August 31, 2022 \$	Year Ended August 31, 2021 \$
Revenue	2,824,010	595,538	-
Comprehensive loss	(718,094)	(5,747,027)	(4,025,319)
Basic and diluted loss per share	(0.01)	(0.12)	(0.16)
Total assets	3,290,512	3,023,559	4,074,158
Total long-term liabilities	-	-	-
Working capital	493,797	145,576	3,227,524

## MANAGEMENT DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED NOVEMBER 30, 2023

Period ended November 30, 2023, in comparison to the period ended November 30, 2022:

	2023	2022	Note
<b>REVENUES</b>	\$ 1,504,852	\$ 511,065	1
<b>EXPENSES</b>			
Advertising and promotion	24,458	1,698	2
Amortization	125,703	67,639	3
Consulting	138,065	389,904	4
Foreign exchange gain	(2,293)	(12,684)	
Insurance	21,153	4,038	5
Interest in right of use asset	55,251	-	
Lab operations and supplies	83,568	116,809	
Management fees	60,100	50,100	
Office and miscellaneous	36,442	19,954	6
Parts	209,795	-	
Professional fees	32,336	47,538	
Regulatory and transfer agent fees	21,250	7,267	
Salaries and wages	274,569	-	4
Share-based payments	111,510	-	7
Rent	-	35,574	
Travel	97,947	53,463	
<b>Total expenses</b>	<b>(1,289,852)</b>	<b>(781,300)</b>	
<b>Net Income (Loss) and comprehensive loss for the period</b>	<b>\$ 215,000</b>	<b>\$ (270,235)</b>	
<b>Basic and diluted income (loss) per common share</b>	<b>\$ 0.00</b>	<b>\$ (0.11)</b>	

- During the period, the Company generated revenue of \$1,504,852, compared to \$511,065 in the comparable period, an increase of \$993,787. The increase in revenue is the result of an increase in DILC units sold during the quarter.
- Advertising and promotion expense was \$24,458 compared to \$1,698 in Q1 of 2022. During the period, the company attended more conferences and initiated more shareholder and marketing initiatives.
- Amortization for the period was \$125,703 compared to \$67,639 in the comparable quarter. The increase is due to amortization relating the Company's right of use asset and liability relating to its new office and lab space that it moved into during the quarter.
- Consulting fees were \$138,065 during the quarter compared to \$389,904 over the comparable period. The decrease is due to several consultants becoming employees of the Company in May 2023. As a result, these consulting fees are now treated as salaries and wages.
- Insurance expense for the period was \$21,153, an increase of \$17,115. The increase is the result of increasing general liability coverage and the implementation of directors' and officers' insurance.
- Office expenses increased by \$16,488 over the comparable period due to incurring additional costs associated with the move to the new office and lab space.

## MANAGEMENT DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED NOVEMBER 30, 2023

---

7. Share based payments expense was \$111,510 during the year compared to \$Nil in same quarter as last year. The increase is the result of issuing 357,550 of new options to employees and consultants during the quarter and the vesting of options that were issued in a prior period.

### Liquidity, Capital Resources and Capital Expenditures

During the year, the Company increased its revenues, however, it has accumulated losses and may incur further losses in the development of its business. This uncertainty may cast significant doubt about the Company's ability to continue as a going concern. The continued operations of the Company are dependent on its ability to develop a sufficient financing plan, receive continued financial support from related parties, complete sufficient public equity financing, and generate profitable operations in the future.

The Company will take appropriate measures to raise the necessary funding through private placements, exercising of stock options, warrants and/or credit facilities to address its liabilities and to continue operations should it not be able to immediately continue its profitable operations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

The Company generated net income of \$215,000 for the period ended November 30, 2023 (2022 – loss of \$270,235). The Company has a history of losses and accumulated losses of \$10,527,751 (August 31, 2023 - \$10,742,751) since its inception. The Company may incur losses in the future however it has secured several cash flow positive sales contracts that it expects will help to generate positive cash flows going forward.

At November 30, 2023, the Company's working capital, defined as current assets less current liabilities, was \$820,779 an increase of \$326,982 in working capital as compared to \$493,797 at August 31, 2023. During the period from September 1, 2022, to November 30, 2023, the Company:

- i) Issued no new common shares.
- ii) Purchased \$8,622 of office equipment.

The Company's financial statements have been prepared in accordance with IFRS applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year.

Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

The Company's cash is denominated Canadian and US dollars. The Company is subject to exchange rate fluctuations relative to the reporting currency. Total Canadian equivalent cash on hand at November 30, 2023 was \$442,654 which is held in a large Canadian chartered bank.

The Company has not made any arrangements for sources of financing that remain undrawn.



**Financial Instruments and Financial Risk**

*Financial Instruments and Fair Value Measurements*

International Financial Reporting Standards 7, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets forth the Company’s financial assets and financial liabilities measured at fair value on a recurring basis by level within the fair value hierarchy as at November 30, 2023:

	Level 1	Level 2	Level 3
<b>November 30, 2023</b>			
Cash	\$ 442,654	\$ –	\$ –
<b>Total financial assets</b>	<b>\$ 442,654</b>	<b>\$ –</b>	<b>\$ –</b>

Fair value

The fair value of the Company’s financial instruments approximates their carrying value as at November 30, 2023 because of the demand nature or short-term maturity of these instruments.

The Company’s financial instruments include cash, accounts receivable, accounts payable, accrued liabilities, and amounts due to related parties. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The Company manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

*Financial Risk*

(i) Credit risk

Credit risk arises from non-performance by counterparties of contractual financial obligations. The Company’s maximum credit risk is primarily attributable to its cash. The Company limits its exposure to credit loss for cash by placing such instruments with financial institutions.

(ii) Liquidity risk

The Company’s approach to managing liquidity risk is to ensure that it will have sufficient financial resources to meet liabilities when due.

As at November 30, 2023, the Company had working capital of \$820,779. All of the Company’s financial liabilities have contractual maturities of 30 days or less and are subject to normal trade terms.

(iii) Interest rate risk

In management’s opinion, the Company’s interest rate risk is minimal as the Company does not have any bank indebtedness that bears interest at fixed or variable rates.

(iv) Foreign currency risk

As at November 30, 2023, \$16,072 (2022 - \$16,710) of the Company’s liabilities and \$1,189,822 (August 31, 2023 - \$146,647) of its current assets are denominated in US dollars, Swiss Francs, and Euros.

## MANAGEMENT DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED NOVEMBER 30, 2023

A 10% change in the exchange rate would result in a \$120,589 net impact on the Company's foreign exchange gain or loss. As at November, 2023, the Company is moderately exposed to foreign exchange fluctuations.

### RELATED PARTY TRANSACTIONS

Key management personnel include the Company's Board of Directors and Officers of the Company. The Company's related parties include key management personnel, and companies related by way of directors or shareholders in common.

(a) Key management personnel compensation is comprised of the following:

The remuneration of directors and other members of key management personnel during the period ended November 30, 2023, and 2022 were as follows:

	<b>2023</b>	<b>2022</b>
Consulting and management fees	\$ 105,386	\$ 56,100
Share based payments	48,810	-
	<b>\$ 154,196</b>	<b>\$ 56,100</b>

(b) Amounts due to/from related parties

In the normal course of operations, the Company transacts with companies related to the Company's directors and officers. All amounts payable and receivable are non-interest bearing, unsecured and due on demand. The following table summarizes the amounts due to related parties at November 30, 2023, and 2022:

	<b>2023</b>	<b>2022</b>
Dr. Jason Hein	\$ 290,350	\$ 249,950
Emprise Management Services Corp.	59,325	53,025
	<b>\$ 349,675</b>	<b>\$ 302,975</b>

(c) Other related party transactions

The Company recognizes Standard Lithium Ltd as a related party due to common directors. Mr. Rob Mintak and Dr. Andy Robertson serve as directors of Standard Lithium Ltd ("STL") and Telescope Innovations Corp. During the year ended August 31, 2023, the Company entered into new service contracts with STL and received total proceeds of \$1,147,756 of which \$74,418 was included in deferred revenues as at November 30, 2023. The total revenues recognized from STL contracts for the period was \$289,185. As at November 30, 2023, \$42,000 is payable from STL to the Company and included in accounts receivable.

### Management of Capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to develop scalable manufacturing processes and tools for the pharmaceutical and chemical industry. The Company does not have any externally imposed capital requirements to which it is subject to.

The Company considers the aggregate of its equity as capital. 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 or dispose of assets or adjust the amount of cash.

## MANAGEMENT DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED NOVEMBER 30, 2023

---

The Company's investment policy is to invest its cash in investment instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected time of expenditures from operations.

### **Outstanding Share Data**

- a) Authorized: The Company is authorized to issue an unlimited number of common shares without par value.
- b) Issued and outstanding as of January 29, 2024: 53,665,569 common shares.  
In connection with the Company's direct listing on the Canadian Securities Exchange during in 2022, the Company entered into an Escrow Agreement dated September 27, 2021, whereby 11,643,741 common shares were held in escrow and are scheduled for release in accordance with the terms of the Escrow Agreement. As at January 29, 2024, there were 3,493,119 common shares in escrow.
- c) Stock options outstanding: 4,283,550
- d) Warrants outstanding: 2,439,749

### ***Forward-looking Statements***

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, "forward-looking information"). In certain cases, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes", or variations or the negative of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. By their very nature, forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. The Company disclaims any obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.