TELESCOPE INNOVATIONS

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED FEBRUARY 29, 2024

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 February 29,2024. The following MD&A should be read in conjunction with the Company's condensed consolidated interim financial statements for the period ended February 29, 2024, 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 in the Financial Statements.

This MD&A is dated April 18, 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 April 18, 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 and on SEDAR at www.sedarplus.com.

The condensed consolidated interim financial statements for the period ended February 29, 2024, 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 February 29, 2024, the operations of the Company were 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 develops, combines and deploys new enabling technologies including flexible robotic platforms, advanced analytical tools and machine learning tools 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 continues as a core component of the Company's business model.

Operations and development efforts thus far have focused on three strategic areas: (i) development and commercialization of critical analytical technology to speed the development of chemical based processes; (ii) autonomous process optimization laboratory systems ("Self-driving labs") to accelerate chemical process research while significantly decreasing development costs; and (iii) the application of these tools to process manufacturing challenges in pharmaceutical and chemical synthesis.

In February 2024, Telescope strengthened their senior management team by adding Henry Dubina as Chairman and Chief Executive Officer and John Kirincic as Chief Financial Officer for the Company. Jason Hein will continue to lead Telescope's development services and research efforts as Chief Technology Officer, and Jeff Sherman will remain the Chief Operating Officer, rounding off an enhanced C-suite to advance the Company's strategic growth. Further, Deborah Cotter assumed the role of Telescope's Corporate Secretary.

Mr. Dubina brings significant experience to Telescope, having served in general management positions in the scientific instruments industry for the past 35 years. He served as President and Head of Mettler-Toledo AutoChem for over 20 years, directing the global business from its infancy to global market leadership. Mettler-Toledo Autochem provides technology solutions and services to speed the development of high value, chemical-based processes. AutoChem instruments have been ubiquitously deployed in academia and industry for biopharmaceutical, chemical, and advanced materials applications to boost R&D productivity.

Mr. Kirincic has served in various financial and operating leadership roles for over 20 years, including Chief Financial Officer to numerous growth-stage companies. Mr. Kirincic has a deep corporate finance background working with growth-oriented companies in direct roles supporting shareholders and through buy-side investment capital firms building value for stakeholders.

Deborah Cotter will assume the role of Telescope's Corporate Secretary. Possessing over three decades of experience in both Canadian and US public and private markets, Ms. Cotter has overseen corporate governance, securities compliance, equity financings, and general administration. She currently serves as Corporate Secretary and/or Governance Professional for numerous public and private corporations in Canada and the US.

Since March 2022, the Company has applied 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., Pfizer, Hatch, along with other multinational companies. 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 $2,191,057 and $2,517,272, respectively, resulting in a net loss of $326,214 for the six-month period ended February 29, 2024. Revenues increased by of $863,664 from the previous comparable period primarily attributed to an increase in DirectInject-LC™ product sales. Total product sales for the six-month period ended February 29, 2024, was $1,470,484 while contract service sales represented $720,573. Sales of products and contract services to clients occurred in Canada, USA, Europe, and Asia. As at February 29, 2024, the combination of the Company's deferred revenue and backlogged orders was in excess of $2,000,000 which represents products and services to be delivered in future periods. During the six-month period ended February 29, 2024, the Company incurred positive cash flows of $144,979 from operating activities and had an accumulated deficit of $11,068,966 which has been funded primarily by equity financing. The Company's ability to continue as a going concern is dependent upon its ability to continue to be profitable and generate positive cash flows, obtaining additional financing or maintaining continued support from its creditors.

The Company announced on February 15, 2024, that it has granted a total of 400,000 incentive stock options to an employee and a consultant of the Company in accordance with the Company's incentive stock option plan. The options vest according to the Company's incentive stock option plan and are exercisable to acquire common shares of the Company at a price of $0.36 until February 15, 2029.

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. 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, general corporate purposes, and to continue to grow the operations of the business.

OPERATIONAL HIGHLIGHTS

Automation and Analytical Products and Services for Pharmaceutical R&D

Product Distribution and Development Agreement

Telescope completed a global distribution agreement for our flagship DirectInject-LC™ product, a technology for automated chemistry process analysis with the global market leader, METTLER TOLEDO. Through the new Distribution Agreement, we will be able to rapidly bring our products to customers across the globe without requiring a high initial capital outlay, ongoing overhead costs, and additional expenses for international distribution. METTLER TOLEDO's market leadership in the automated chemistry market, with thousands of installations world-wide, is ideally positioned to deliver our game-changing DirectInject-LC™ technology to research and process development teams across the high value chemical manufacturing and pharmaceutical industries.

Based on the strong existing relationship between the two companies, the Telescope DirectInject-LC™ software has been already seamlessly integrated into METTLER TOLEDO'S, market standard iC software. This will allow immediate integration into established customer workflows for developing high quality chemical processes. This multi-year distribution contract will provide a strong sustainable revenue stream that will form one of the pillars of growth for Telescope starting in FY Q3 2024.

Telescope also announced a technology integration partnership with Shimadzu Scientific Instruments, Inc. Shimadzu is a global leader in analytical instrumentation for chemistry research and development, and the partners aim to integrate Telescope's flagship DirectInject-LC™ product with Shimadzu's High-Performance Liquid Chromatography ("HPLC") systems. HPLC is a gold-standard analysis technique in process chemistry, enabling researchers to separate and analyze each component in a chemical mixture. DirectInject-LC™ dramatically amplifies the power of this technology by automatically sampling and preparing reactions for real-time injection into HPLC instruments. Thus, full reaction profiles become readily accessible, providing rich chemical understanding, impurity profiling, and fast optimization strategies. This type of data-rich experimentation represents a massive competitive advantage to the pharmaceutical and chemical industries.

Ensuring compatibility with the Shimadzu ecosystem will broaden the adoption potential of DirectInject-LC™, which is already compatible with several HPLC instruments like the Agilent and Waters systems, Integrating

Telescope's game-changing DirectInject-LC™ technology with our industry-leading HPLC system opens a wealth of opportunities for customers in the process analytical technology (PAT).

To highlight this partnership, Telescope and Shimadzu jointly presented this technology integration at the 2024 Chemistry (IFPAC). This conference, from March 3-6, 2024, brought together world-class and industry expertise in Process Analytical Technology and Continuous Manufacturing and Process Control applications for the pharmaceutical, biotechnology, chemical, and related industries.

The Company has engaged in technology platform development contracts with pharmaceutical manufacturers to develop customized automation workflows for self-driving laboratories to dramatically 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, into their R&D infrastructure.

Technology Partnership with Mott for New Product Development

Telescope continues to make advances with Mott Corporation to develop and commercialize a novel robotic sampling probe for chemical analysis and purification. This new technology has been prototyped and is undergoing extensive testing by the Telescope scientific team.

Moreover, this probe will 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.

Marketing Activities

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.

- Telescope scientists were invited to speak at the Acceleration Consortium event on the use of AI in battery material discovery in February 2024.
- Telescope presented on the IFPAC Meeting in Washington, DC in February 2024.
- The "Send us your Brine" Campaign launched generated a number of significant opportunities in the mineral and battery industries.
- Dr. Ryan Jansonius spoke on a subject matter expert panel at the Arkansas Lithium Innovation Summit, Little Rock, AR (February 2024)

Intellectual Property Development

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, described in provisional patent application (65/584,062) could reduce the current high costs of lithium sulfide production, and if so, facilitate the widespread deployment of solid-state batteries. The key to discovering this new method is Telescope's enabling technology, by combining robotic automation with artificial intelligence and our online analytical platforms such as DirectInject-LC™, we can discover synthetic pathways 10 to 100 times faster than conventional approaches. Telescope's approach to accelerated discovery has fueled the growth of Telescope's IP portfolio, which already includes a granted Canadian patent on the production of pharmaceutically relevant indole compounds. Telescope's patenting activities places the company among the 2% of Canadian SMEs to hold patents.

Filed for a Provisional Patent for Purification of Lithium Carbonate for Battery Materials

The Company has filed a provisional patent application (63/606,069) on a disruptive new technique to purify lithium carbonate, a critical mineral building block for lithium-ion battery production and particularly for low-cost LFP battery chemistries. This is Telescope's second application related to processing battery raw materials, the first of which provides a low-temperature method for generating lithium sulfide. The current 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.

New Research and Development into Battery Recycling Technology

Telescope has demonstrated proof-of-concept for a proprietary recrystallization process that efficiently separates battery raw materials (i.e., lithium and nickel salts) from mixed recycling slurries. The new technology has the potential to disrupt battery recycling methods, bolster the supply chain for battery materials, and support the global transition to a clean energy economy.

Ongoing Research Projects to Develop Automation Tools for Cleantech and Critical Minerals R&D

Natural Resources Council of Canada

- A recent battery recycling project with NRCan, showing that Telescope's selective crystallization can be used for separating metals from digested lithium batteries.

- 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.

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.

Summary of Quarterly Financial Results

The following is a summary of certain financial information concerning the Company for the last eight quarters ended February 29, 2024, in accordance with IFRS.

Quarter Ended	Total Assets	Total Long - term Liabilities	Working Capital	Revenue	Comprehensive Income (Loss)	Basic and Diluted Income (Loss) per share
May 31, 2022	$ 2,171,325	$ -	$ 574,31	$ -	$ (990,248)	$ (0.02)
August 31, 2022	3,023,559	-	145,576	595,398	(745,702)	(0.01)
November 30, 2022	3,796,349	-	1,307,029	511,065	(270,235)	(0.00)
February 28, 2023	3,708,317	-	1,337,757	816,328	11,314	0.00
May 31, 2023	3,244,904	-	1,493,942	1,012,999	67,847	0.00
August 31, 2023	3,290,512	-	493,797	483,618	(527,020)	(0.01)
November 30, 2023	5,804,094	1,880,546	820,780	1,504,852	215,000	(0.00)
February 29, 2024	$ 5,506,891	$ 1,956,295	$ 608,395	$ 686,205	$ (541,212)	$ (0.01)

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

For the three months ended February 29, 2024, in comparison to the period ended February 28, 2023:

	2024	2023	Note
REVENUES	$ 686,205	$ 816,328	1
EXPENSES			
Advertising and promotion	21,160	33,505	
Amortization	87,533	81,625	
Consulting	254,898	426,178	2
Foreign exchange gain	(24,788)	(3,701)	
Insurance	20,755	3,787	3
Interest in right of use asset	82,237	-	4
Lab operations and supplies	67,088	48,910	
Management fees	50,100	60,100	
Office and miscellaneous	16,644	14,840	
Parts	89,912	-	5
Professional fees	95,117	52,667	
Regulatory and transfer agent fees	26,829	13,241	
Salaries and wages	259,973	-	2
Share-based payments	70,743	-	6
Rent	-	35,574	4
Travel	109,217	38,288	7
Total expenses	**(1,227,418)**	**(805,014)**	
Net Income (Loss) and comprehensive loss for the period	$ (541,213)	$ 11,314	
Basic and diluted income (loss) per common share	$ (0.01)	$ 0.00	

1. Revenues during the quarter were $686,205 compared to $816,328 in the comparable quarter, a decrease of $130,123. The decrease is the result of fewer contract research projects completed however this was offset by an increase in the number of DILC units sold.

2. Consulting fees were $254,898 during the quarter compared to $426,179 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.

3. Insurance expense for the period was $20,755, an increase of $16,968. The increase is the result of increasing general liability coverage and the implementation of directors' and officers' insurance.

4. In April 2023, the Company entered into a 120-month office lease agreement that commenced on October 1, 2023. In analysing the identified agreement, the Company applied the lease accounting model pursuant to IFRS 16 and considered all the facts and circumstances surrounding the inception of the agreement. As a result, the Company recorded $82,237 in non-cash interest expenses relating to the lease. The Company will no longer continue to record rent expenses relating to leased office/lab space.

5. Parts expense related to the costs of input materials for DILC machines. There were no DILC related costs on the comparable quarter.

6. Share based payments expense was $70,743 during the year compared to $Nil in same quarter as last year. The increase is the result of issuing 757,550 of new options to employees and consultants during the quarter and the vesting of options that were issued in a prior period.

7. Travel expense was $109,217 compared to $38,288 in the comparable quarter, an increase of $70,929. The increase is due to an increase in business travel relating to conferences and DILC sales.

For the six months ended February 29, 2024, in comparison to the period ended February 28, 2023:

	2024	2023	Note
REVENUES	$ 2,191,057	$ 1,327,293	1
EXPENSES			
Advertising and promotion	45,618	35,203	
Amortization	213,263	149,264	2
Consulting	392,963	816,083	3
Foreign exchange gain	(27,081)	(16,385)	
Insurance	41,908	7,825	4
Interest in right of use asset	137,488	-	2
Lab operations and supplies	150,656	165,719	
Management fees	110,200	110,200	
Office and miscellaneous	53,086	34,794	
Parts	299,707	-	5
Professional fees	127,453	100,204	
Regulatory and transfer agent fees	48,079	20,508	
Salaries and wages	534,542	-	3
Share-based payments	182,253	-	6
Rent	-	71,148	2
Travel	207,164	91,751	7
Total expenses	**(2,517,272)**	**(1,586,315)**	
Net Loss and comprehensive loss for the period	$ (326,214)	$ (258,921)	
Basic and diluted loss per common share	$ (0.01)	$ (0.01)	

1. During the period, the Company generated revenue of $2,191,057, compared to $1,327,394 in the comparable period, an increase of $863,663. The increase in revenue is the result of an increase in DILC units sold during the quarter.

2. Amortization for the period was $213,623 compared to $149,264 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 period. The Company will no longer continue to record rent expenses relating to leased office/lab space.

3. Consulting fees were $392,963 during the quarter compared to $816,083 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.

4. Insurance expense for the period was $41,908, an increase of $7,825. The increase is the result of increasing general liability coverage and the implementation of directors' and officers' insurance.

5. Parts expense related to the costs of input materials for DILC machines. There were no DILC related costs on the comparable quarter.

6. Share based payments expense was $182,253 during the period compared to $Nil in same period as last year. The increase is the result of issuing 757,550 of new options to employees and consultants during the quarter and the vesting of options that were issued in a prior period.

7. Travel expense was $207,164 compared to $91,751 in the comparable period, an increase of $115,413. The increase is due to an increase in business travel relating to conferences and DILC sales.

Liquidity, Capital Resources and Capital Expenditures

During the interim year period, 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 a net loss of $326,214 for the six-month period ended February 29, 2024 (February 28, 2023 – net loss of $258,921). The Company has a history of losses and accumulated losses of $11,068,966 (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 February 29, 2024, the Company's working capital, defined as current assets less current liabilities, was $608,394 an increase of $114,597 in working capital as compared to $493,797 at August 31, 2023.

During the period from December 1, 2023, to February 29, 2024, the Company:

i) Issued no new common shares.

ii) Purchased $15,622 of office and lab 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 February 29, 2024, was $486,167 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 February 29, 2024:

		Level 1		Level 2		Level 3	
February 29, 2024							
Cash	$	486,167	$	–	$	–	
Total financial assets	$	486,167	$	–	$	–	

Fair Value

The fair value of the Company's financial instruments approximates their carrying value as at February 29, 2024, 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, leases, 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 February 29, 2024, the Company had working capital of $608,394. 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 February 29, 2024, $239,898 (August 31, 2023 - $16,710) of the Company's liabilities and $1,136,799 (August 31, 2023 - $146,647) of its current assets are denominated in US dollars, Swiss Francs, and Euros. A 10% change in the exchange rate would result in a $137,670 net impact on the Company's foreign exchange gain or loss. As at February 29, 2024, 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 February 29, 2024, and February 28, 2023, were as follows:

		2024		**2023**
Consulting and management fees	$	235,929	$	226,796
Share based payments		182,253		-
	$	418,183	$	226,796

(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 February 29, 2024, and August 31, 2023:

		2024		**2023**
Dr. Jason Hein	$	290,350	$	249,950
Dr. Jeffrey Sherman		18,066		-
Dr. Henry Dubina		20,573		-
Emprise Management Services Corp.		64,575		53,025
	$	391,009	$	302,975

(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 February 29, 2024. The total revenues recognized from STL contracts for the period was $395,116. As at February 29, 2024, $42,000 in 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.

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 April 18, 2024, 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 April 18, 2024, there were 1,746,562 common shares in escrow.

c) Stock options outstanding: 4,683,050

d) Warrants outstanding: 2,439,749

CAUTIONARY STATEMENT

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.