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 May 31, 2024. The following MD&A should be read in conjunction with the Company's condensed consolidated interim financial statements for the period ended May 31, 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 July 10, 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 July 10, 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 May 31, 2024, has 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 May 31, 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. 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. The Company 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 one of the core components 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 resolve chemistry related manufacturing challenges in pharmaceutical and chemical synthesis.

During 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 the Company's Corporate Secretary.

Mr. Dubina brings significant experience to the Company, 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 research and development ("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 development and finance background working with growth-oriented companies in direct roles supporting shareholders and through buy-side investment capital firms building value for stakeholders.

Possessing over three decades of experience in both Canadian and US public and private markets, Deborah 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, the Company 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 $3,415,408 and $3,941,921, respectively, resulting in a net loss of $526,513 for the nine-month period ended May 31, 2024. Revenues increased by $1,075,016 (+45.9%) from the previous comparable period primarily attributed to an increase in DirectInject-LC™ product sales. Total product sales for the nine-month period ended May 31, 2024, was $2,545,642 while contract service sales represented $869,766. Sales of products and contract services to clients occurred in Canada, USA, Europe, and Asia. As at May 31, 2024, the combination of the Company's deferred revenue and backlogged orders was in excess of $2,500,000 which represents products and services to be delivered in future periods. During the nine-month period ended May 31, 2024, the Company incurred positive cash flows of $40,023 from operating activities and had an accumulated deficit of $11,269,264 which has been funded primarily by equity financing. For the nine-month period ended May 31, 2024, the Company posted EBITA and Adjusted EBITA of $23,544 and $128,269 respectively (see *Non-IFRS Measures* below). 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

Mettler Toledo Product Distribution and Development Agreement

The focus in Q3 2024 was building awareness and sales pipeline for the DirectInject-LC™ product and training the Mettler Toledo Global Sales Organization. These efforts are required to support Telescope's multi-year agreement with Mettler Toledo for the global distribution of our flagship DirectInject-LC™. During this period, Telescope delivered all required product orders and expanded our customer base through sales activities, network building, product demonstrations, and installations. Among these activities were two Mettler Toledo "InfoDays", one in Iselin, NJ, and another in Montreal, QC, where Telescope showcased DirectInject-LC™ to a high-profile industry and academia audience focused on innovative automation approaches to pharmaceutical R&D. Mettler Toledo's market leadership in the automated chemistry market, with thousands of installations world-wide, continues to provide an ideal distribution platform for Telescope's product. The revenue impact of this partnership is reflected in Telescope's strong financial performance this quarter and is expected to support the Company's growth plan going forward

Telescope continued its technology integration partnership with Shimadzu Scientific Instruments, Inc., which aims to further broaden the adoption of DirectInject-LC™. Shimadzu is a global leader in analytical instrumentation for chemistry R&D with a strong position in Liquid Chromatography (LC) products especially in the markets in Asia. DirectInject-LC™ amplifies the power of Shimadzu's technology by enabling online, data-rich experimentation that provides a massive opportunity for scientists in the pharmaceutical and chemical industries to significantly reduce development time and costs.

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 is now in the advanced prototype stage 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, published reports, participated in expert panel discussions and roundtables, and/or had commercial booth space in the exposition portion of the following conferences since March of 2024 .

- 2024 New Jersey InfoDay hosted by Mettler Toledo:
  - Andrew Pedersen, Telescope's Technology Application Consultant, represented the Company to support the showcasing of DirectInject-LC™ at this event.
- 2024 Montreal InfoDay hosted by Mettler Toledo:
  - Telescope CTO, Prof. Jason Hein, delivered a seminar on the application of DirectInject-LC™to accelerate process chemistry R&D.

Automation Tools and Process Development for Cleantech and Critical Minerals R&D

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 Provisional Patent Application 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. The Company has branded this process as recrystallization refinement technology, ReCRFT™.

Brine-to-Battery Campaign

As a technology demonstration and customer engagement initiative, Telescope launched a free program offering to refine crude lithium samples from companies engaged in lithium extraction operations. Samples are processed via ReCRFT™ to produce battery-grade lithium carbonate. Since launch, Telescope has processed samples from 4 potential customers, which are now within Telescope's customer pipeline engaged in ongoing discussions for development or technology licensing pathways.

New 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. The Company has submitted a collaborative grant application through the Canada-UK Critical Minerals: Sustainability and Circularity program. This program provides government funding from the National Research Council of Canada

Industrial Research Assistance Program (NRC IRAP) and Innovate UK. Funding would enable Telescope to translate this technology from proof-of-concept to validation and demonstration with a UK-based battery recycling company.

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 is deploying 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.

Marketing Activities

To continue our participation in the relevant scientific communities and to promote business development activities, Telescope Innovations has presented their research, published reports, participated in expert panel discussions and roundtables, and/or had commercial booth space in the exposition portion of the following conferences since March of 2024:

- Dr. Junliang Liu, Telescope's process chemistry expert, presented DirectInject-LC™ at the 2024 annual conference held by the International Foundation Process Analytical Chemistry (IFPAC) on March 5, 2024.
- 2024 Montreal InfoDay hosted by Mettler Toledo:
    - Dr. Ryan Jansonius, VP of Chemistry Contract Services for the Company, presented Company's proprietary lithium refinement technology (ReCRFT™), which generates battery-quality lithium carbonate in a single step from brines, hardrock, or battery recycling feeds.
- Telescope published a white paper on its proprietary ReCRFT™ process, which simplifies flowsheets, increases tolerance for feed variability, and reduces reagent usage for lithium carbonate production. Relative to incumbent technologies, the reduction in processing steps enabled by ReCRFT™ also drives down manufacturing costs.

Health and Safety Committee

Telescope's Health and Safety Committee observed no safety incidents over the last quarter, including no damage to lab or capital equipment and no injuries to staff. The Company considers health and safety in the workplace a top priority for all stakeholders, and is subject to third party annual safety audits in addition to managing health and safety operationally day to day through policies and procedures established by the Company's Health and Safety Committee.

NON-IFRS MEASURES

EBITA and Adjusted EBITA

Earnings, or loss, before interest, taxes and amortization ("EBITA") is a non-IFRS financial measure which excludes the following items from IFRS net earnings:
• Amortization of property and equipment
• Amortization of right of use asset
• Interest on right of use asset

Adjusted EBITA, or loss, excludes the following items from EBITA:
• Share based payments
• Foreign exchange gain/loss

Management believes EBITA and Adjusted EBITA provide an indication of continuing capacity to generate operating cash flow to fund capital needs, service obligations and fund capital expenditures. These measures are intended to provide additional information to readers of this MD&A. There are not standardized definitions under IFRS and should not be considered in isolation or as a substitute for measures of operating performance prepared in accordance with IFRS.

Adjusted EBITA excludes share-based payments, and non-operating or recurring items such as foreign exchange gains and losses. Under IFRS, entities must reflect within compensation expense the cost of share-based payments. In the Company's circumstances, share-based compensation can involve significant amounts that will not be settled in cash but are settled by issuance of shares in exchange. The Company discloses Adjusted EBITA to aid in understanding the results of the Company.

The following table provides a reconciliation of net income (loss) in the IFRS based financial statements to EBITA and Adjusted EBITA:

EBITA Reconciliation:	**9 Months Ended**		**3 Months Ended**	
	May 31, 2024	**May 31, 2023**	**May 31, 2024**	**May 31, 2023**
Net income (loss) per IFRS	$ (526,513)	$ (191,074)	$ (200,299)	$ 67,847
Amortization of property and equipment	192,789	232,703	66,014	83,439
Amortization of right of use asset	138,335	-	51,875	-
Interest on right of use asset	218,932	-	81,444	-
EBITA	$ 23,544	$ 41,629	$ (966)	$ 151,286
Share based payments	249,836	4,899	67,583	4,899
Foreign exchange gain/loss	(145,111)	(9,035)	(118,030)	7,350
Adjusted EBITA earnings (loss)	$ 128,269	$ 37,493	$ (51,413)	$ 163,535

EBITA was $23,544, a decrease of $18,085 when compared to $41,629 for the nine-month period ended May 31, 2024. There was additional amortization and interest on right of use assets versus comparative periods due to the Company's 120-month office lease agreement that commenced on October 1, 2023.

Adjusted EBITA for the nine-month period ended May 31, 2024 was $128,269, an increase of $90,776 when compared to Adjusted EBITA of $37,493 in the corresponding period in 2023. Changes to Adjusted EBITA are a result of the items noted above in EBITA, further excluding share-based payments and movements in realized foreign exchange.

SUMMARY OF QUARTERLY FINANCIAL RESULTS

The following is a summary of certain financial information concerning the Company for the last eight quarters ended May 31, 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
August 31, 2022	$ 3,023,559	-	$ 145,57	$ 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)
May 31, 2024	$ 5,281,184	$ 1,932,423	$ 1,107,915	$ 1,224,351	$ (200,299)	$ (0.00)

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 May 31, 2024, in comparison to the period ended May 31, 2023

	2024	2023	Note
REVENUES	$ 1,224,351	$ 1,012,999	**1**
EXPENSES			
Advertising and promotion	6,524	17,723	
Amortization	117,889	83,439	
Consulting	233,432	366,429	**2**
Foreign exchange loss (gain)	(118,030)	7,350	
Insurance	20,755	4,827	**3**
Interest in right of use asset	81,444	-	**4**
Lab operations and supplies	158,620	139,587	
Management fees	50,100	85,100	
Office and miscellaneous	45,753	3,682	
Parts	234,692	-	**5**
Professional fees	77,882	42,726	
Regulatory and transfer agent fees	16,476	28,441	
Salaries and wages	347,885	66,912	**2**
Share-based payments	67,583	4,899	**6**
Rent	-	29,711	**4**
Travel	83,645	64,325	**7**
Total expenses	**(1,424,650)**	**(945,152)**	
Net Income (Loss) and comprehensive loss for the period	$ (200,299)	$ 67,847	
Basic and diluted income (loss) per common share	$ 0.00	$ 0.00	

1. Revenues during the quarter ended May 31, 2024 were $1,224,351 compared to $1,012,999 in the comparable quarter, an increase of $211,352. The increase 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 $233,432 during the quarter compared to $366,429 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 $15,928. 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 $81,444 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 units. There were no DILC related costs in the comparable quarter.

6. Share based payments expense was $67,583 during the year compared to $4,899 in the same quarter as last year. The increase is the result of issuing 757,550 of new options to employees and consultants and the vesting of options during the quarter that were issued in a prior period.

7. Travel expense was $83,645 compared to $64,325 in the comparable quarter, an increase of $19,320. The increase is due to an increase in business travel relating to conferences and DILC sales.

For the nine months ended May 31, 2024, in comparison to the period ended May 31, 2023

	2024	2023	Note
REVENUES	$ 3,415,408	$ 2,340,392	**1**
EXPENSES			
Advertising and promotion	52,142	52,926	
Amortization	331,125	232,703	**2**
Consulting	626,395	1,182,512	**3**
Foreign exchange gain	(145,111)	(9,035)	
Insurance	62,663	12,652	**4**
Interest in right of use asset	218,932	-	**2**
Lab operations and supplies	309,276	305,306	
Management fees	160,300	195,300	
Office and miscellaneous	98,838	38,476	
Parts	534,399	-	**5**
Professional fees	205,335	142,930	
Regulatory and transfer agent fees	64,555	48,949	
Salaries and wages	882,427	66,912	**3**
Share-based payments	249,836	4,899	**6**
Rent	-	100,859	**2**
Travel	290,809	156,077	**7**
Total expenses	**(3,941,921)**	**(2,531,466)**	
Net Loss and comprehensive loss for the period	$ (526,513)	$ (191,074)	
Basic and diluted income (loss) per common share	$ (0.01)	$ 0.00	

1. During the nine-month period ended May 31, 2024, the Company generated revenues of $3,415,408, versus $2,340,392 in the comparable period, an increase of $1,075,016. The increase in revenues is the result of an increase in DILC units sold during the year versus the comparable period.

2. Total amortization of equipment and the Company's right of use asset (ROU) for the period was $331,125 versus $232,703 in the comparable period. 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 and lab space.

3. Consulting fees were $626,395 during the period versus $1,182,512 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 $62,663, an increase of $50,011. 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 units. There were no DILC related costs in the comparable period.

6. Share based payments expense was $249,836 during the period compared to $4,899 in the same period as last year. The increase is the result of issuing 757,550 of new options to employees and consultants and the vesting of options during the current period that were issued in a prior period.

7. Travel expense was $290,809 compared to $156,077 in the comparable period, an increase of $134,732. 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 an IFRS net loss of $526,513 for the nine-month period ended May 31, 2024 (May 31, 2023 – net loss of $191,074). The Company has a history of losses and accumulated losses of $11,269,264 (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 May 31, 2024, the Company's working capital, defined as current assets less current liabilities, was $1,107,915 an increase of $614,118 in working capital as compared to $493,797 at August 31, 2023.

During the period from March 1, 2024, to May 31, 2024, the Company:

i) Issued no new common shares.

ii) Purchased $22,741 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 May 31, 2024, was $374,091 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 May 31, 2024:

	Level 1	Level 2	Level 3
May 31, 2024			
Cash	$ 374,091	$ –	$ –
Total financial assets	$ 374,091	$ –	$ –

Fair Value

The fair value of the Company's financial instruments approximates their carrying value as at May 31, 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 May 31, 2024, the Company had working capital of $1,107,915. 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 May 31, 2024, $59,245 (August 31, 2023 - $16,710) of the Company's liabilities and $1,093,489 (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 $115,273 net impact on the Company's foreign exchange gain or loss. As at May 31, 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 May 31, 2024, and May 31, 2023, were as follows:

		2024		**2023**
Consulting and management fees	$	439,552	$	337,181
Share based payments		249,836		-
	$	689,388	$	337,181

(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 May 31, 2024, and August 31, 2023:

		2024		**2023**
Dr. Jason Hein	$	287,795	$	249,950
Dr. Jeffrey Sherman		20,895		-
Henry Dubina		51,222		-
Emprise Management Services Corp.		43,313		53,025
	$	403,225	$	302,975

(c) Other related party transactions

The Company recognizes Standard Lithium Ltd. ("STL") as a related party due to common directors. Mr. Rob Mintak and Dr. Andy Robertson serve as directors of 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 May 31, 2024. The total revenues recognized from STL contracts for the period was $569,185. As at May 31, 2024, $84,000 is payable from STL to the Company and included in accounts receivable.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of this document along with the audited consolidated financial statements. Management is responsible for the integrity and objectivity of this document, ensuring the fair presentation of its financial results. The Audit Committee is responsible for reviewing the contents of this document along with the audited consolidated financial statements to ensure the reliability and timeliness of the Company's disclosure while providing another level of review for accuracy and oversight. The Board of Directors, based on recommendations from the Company's Audit Committee, reviews and approves the financial information contained in the audited consolidated financial statements and the MD&A.

MATERIAL ACCOUNTING POLICIES

The Company's material accounting policies are described in Note 2 the consolidated financial statements for the year ended August 31, 2023, as filed on SEDAR+ at www.sedarplus.ca. As at May 31, 2024, there are no IFRS Accounting Standards or International Financial Reporting Interpretations Committee interpretations that are not yet effective or early adopted that are expected to have any impact on the Company.

CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS, AND JUDGEMENTS

The preparation of the consolidated financial statements in accordance with IFRS Accounting Standards, such as the underlying consolidated financial statements for the period ended May 31, 2024, requires management to make estimates, assumptions and judgements that affect the reported amounts of assets, liabilities and expenditures. These estimates, assumptions and judgements are based on management's best knowledge of the relevant facts and circumstances taking into account previous experience. Actual results could differ and such differences could be material. Estimates, assumptions and judgements are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates, assumptions and judgements, and the resulting effects on the carrying amounts of the Company's assets and liabilities, are accounted for prospectively.

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 July 10, 2024: 53,665,569 common shares. In connection with the Company's direct listing on the Canadian Securities Exchange 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 July 10, 2024, there were 1,746,562 common shares in escrow.

c) Stock options outstanding: 4,683,050

d) Warrants outstanding: 2,439,749

OFF-BALANCE SHEET ARRANGEMENTS

During the year ended May 31, 2024, there were no material off-balance sheet transactions which have not been recorded in the Company's consolidated financial statements. The Company has not entered into any specialized financial arrangement to minimize its currency risk.

CAUTIONARY STATEMENT

Forward-looking Statements

Certain statements made and information contained herein in the MD&A constitutes “forward-looking information” and “forward-looking statements” within the meaning of applicable securities legislation (collectively, “forward-looking information” or “forward-looking statements”) concerning the business, operations, financial performance and condition of the Company. The forward-looking information contained in this MD&A is based on information available to the Company as of the date of this MD&A. Except as required under applicable securities legislation, the Company does not intend, and does not assume any obligation, to update this forward-looking information. Generally, any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance, (often, but not always, identified by words or phrases such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", “projects” , “estimates”, “budgets”, “scheduled”, “forecasts”, “assumes”, “intends”, “strategy”, “goals”, “objectives”, “potential”, “possible”, "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events, conditions or results “will”, "may", "could", "would", “should”, "might" or "will be taken", "will occur" or "will be achieved" or the negative connotations thereof and similar expressions) are not statements of historical fact and may be forward-looking statements.

All statements other than statements of historical fact may be forward-looking statements. Forward-looking information is necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: risks and uncertainties relating to, among other things, cost estimates, currency fluctuation, financings, infrastructure, cost overruns, availability of materials and equipment, timeliness of government approvals, taxation, political risk and related economic risk and unanticipated environmental impact on operations as well as other risks, and uncertainties and other factors, including, without limitation, those referred to in the “Financial Instruments and Financial Risks” section of the MD&A, and elsewhere, which may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information. The Company believes that the expectations reflected in the forward-looking statements and information included in this MD&A are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements and information should not be unduly relied upon. This statement and information is as of the date of the MD&A. Forward-looking information is based on certain assumptions that the Company believes are reasonable, that the general business and economic conditions will not change in a material adverse manner, that financing will be available if and when needed on reasonable terms and that the Company will not experience any material labour dispute, accident, or failure of plant or equipment. These factors are not, and should not be construed as being, exhaustive. Although the Company has attempted to identify important factors that would cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated, or intended. There can be no assurance that such statements will prove to be accurate, as the Company’s actual results and future events could differ materially from those anticipated in such statements, as a result of the factors discussed in the “Financial Instruments and Financial Risks” section of the MD&A, and elsewhere, which is available under the Company’s profile on SEDAR+ at www.sedarplus.ca. All of the forward-looking information contained in this document is qualified by these cautionary statements. Readers are cautioned not to place undue reliance on forward-looking information due to the inherent uncertainty thereof.