



Doseology Sciences Inc.

Management's Discussion & Analysis

For years ended June 30, 2023 and 2022

DOSEOLOGY SCIENCES INC.

Management's Discussion and Analysis

For the years ended June 30, 2023 and 2022

This management's discussion and analysis ("MD&A") provides a review of Doseology Sciences Inc.'s (the "Company") business operations and is intended to help readers understand the significant factors that affect the performance of the Company and those that may impact its future performance. This MD&A has been prepared as of November 2, 2023 and should be read in conjunction with the Company's audited consolidated financial statements for year ended June 30, 2023.

All amounts in this MD&A are expressed in Canadian dollars, unless otherwise indicated.

CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking information" that is based on expectations, estimates and projections as of the date of this MD&A. Often, but not always, such forward-looking information can be identified by the use of forward-looking words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations 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. 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 the forward-looking information in this MD&A. Many of such risks and uncertainties are beyond the control of the Company. Please refer to the non-exhaustive list of risks and uncertainties included in this MD&A.

While the Company anticipates that subsequent events and developments may cause its views to change, it will not update this forward-looking information, except as required by law. This forward-looking information should not be relied upon as representing the views of the Company as of any date after the date of this MD&A. The Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those current expectations described in forward-looking information. However, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended and that could cause actual actions, events or results to differ materially from current expectations. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.

The words "we", "our", "us", "Company", "Doseology" and "Dose" refer to Doseology Sciences Inc., together with its predecessors, subsidiaries, and/or the management and employees of the Company's subsidiary.

DOSEOLOGY SCIENCES INC.

Management's Discussion and Analysis

For the years ended June 30, 2023 and 2022

BUSINESS OVERVIEW

The Company, along with its wholly owned subsidiary Dose Labs Inc., is building a progressive brand focused on mental health and wellness through innovative nutraceutical products. Doseology aims to make a meaningful impact on the mental health pandemic by utilizing and developing functional fungi and plant-derived nutraceutical products. Doseology's functional mushroom products, including tinctures, powders and supplements, are available on doseology.com and throughout various retail chains across Canada. The Company trades on the Canadian Securities Exchange under the symbol "MOOD", the OTCQB Venture Market in the United States under the symbol "DOSEF", and the Frankfurt Stock Exchange under the symbol "VU7".

STRATEGY AND OUTLOOK

Consumer Packaged Goods

The focus of the Company is the sale of its branded line of functional mushroom tinctures, powders, and supplements. The Company's tinctures employ adaptogenic blends to improve on the single-extract tinctures commonly available in other competitor products. This blending process translates into a higher market value product because of increased user benefits and increased challenges in development. The Company has established retail sales channels for its products in Canada and sells its products online through its website and Amazon. The Company's products are now on the shelves of approximately 300 retail locations across Canada, and the Company continues to work with its sales broker and distributor to develop additional sales channels.

Termination of Lease at Vernon Facility

The Company terminated the lease at its facility in Vernon, British Columbia. The facility, located at 6294 Old Kamloops Road, was the site of the Company's application to Health Canada for a Dealer's License under the *Controlled Drugs and Substances Act*. Accordingly, the Company discontinued its application for a Dealer's License. In connection with the lease termination, the Company obtained a release from the landlord of the premises from any liability arising under the lease. The Company determined that the limited market for psilocybin products and the slow pace of regulatory change made operations at the Vernon facility unfeasible. The Company could not justify the additional capital expenditures required to complete construction and obtain a Dealer's License.

Strategic Review

The Board of Directors of the Company, with the support of management, has initiated a review process to explore and evaluate a broad range of strategic alternatives. The strategic review process will encompass an evaluation of the Company's current strategic direction, operations, market valuation and capital structure and will consider appropriate alternatives for the Company, which may include one or more of the following: continuation as a stand-alone public company, strategic investor participation, acquisition by or a merger with an industry partner that may involve all or part of the Company's business or assets, and any other strategic alternatives that may be identified during the strategic review. While the strategic review process is ongoing, the Company intends to continue to pursue its core strategic objectives so as to maintain and enhance the value of its current business and operations.

Clinics

The Company continues to monitor the regulatory landscape in the United States and Canada to determine the feasibility and location of a potential clinic to offer treatment using psychedelic compounds.

Mergers and Acquisitions

The Company continues to consider potential attractive acquisition targets that are accretive to earnings. The availability of public stock, the current economic environment and a strong balance sheet would allow the Company to acquire other businesses at advantageous pricing, making its acquisition strategy fruitful to current shareholders.

DOSEOLOGY SCIENCES INC.

Management's Discussion and Analysis

For the years ended June 30, 2023 and 2022

KEY HIGHLIGHTS

Loblaws

The Company successfully introduced its functional mushroom products into the Canadian market, with a strategic placement with Loblaws Companies, featuring two SKUs in 150 Loblaws locations. As Canada's largest supermarket chain, Loblaws proudly offers these tinctures in their Natural Foods sections across multiple banners, including Real Canadian Superstore and Fortinos.

Sobeys

In addition to its new retail partner Loblaws, the Company successfully introduced its functional mushroom products into the Canadian market, with a strategic placement in Sobeys and Safeway stores. The distribution includes an impressive network of 37 Sobeys locations and 19 Safeway locations, making the product easily accessible to consumers throughout the country.

The Company's functional mushroom product line is specifically available in the Rachelle B ry wellness boutique section of both Sobeys and Safeway stores. Sobeys Inc. is recognized as the second largest supermarket chain in Canada, boasting a diverse portfolio of over 1,500 stores operating under various banners, including Safeway and Rachelle B ry. This partnership offers a significant opportunity for the Company to reach a broader customer base and increase brand recognition in the Canadian market.

Whole Foods

In addition to its distribution in Sobeys and Safeway stores, the Company has expanded its reach through a strategic partnership with Whole Foods Market Canada. The Company's functional mushroom products will be available in 14 of the top-tier Whole Foods Market locations across Canada.

Initially, customers will have access to three SKUs of the Company's functional mushroom tinctures: SLEEP, WAKE, and ELEVATE. Whole Foods Market is a renowned natural and organic foods retailer with over 40 years of experience in the industry. The Company's products align well with Whole Foods' commitment to seeking out the finest natural and organic foods and maintaining the strictest quality standards. Furthermore, Whole Foods has demonstrated an unwavering dedication to sustainable agriculture practices.

Whole Foods Market operates over 500 stores across the United States, Canada, and the United Kingdom. This partnership presents a valuable opportunity for the Company to expand its distribution channels and reach a wider audience with its innovative functional mushroom product line.

Nature's Emporium

The Company has also successfully introduced its functional mushroom products into Nature's Emporium, a prominent retailer with four locations across Ontario. Nature's Emporium was established in 1993 with a vision of promoting a healthy lifestyle based on natural and organic foods.

With an impressive selection of over 35,000 natural and organic products, Nature's Emporium offers customers an extensive range of products to choose from, including unique local goods as well as trusted major brands. This aligns well with the Company's focus on offering natural and innovative functional mushroom products to support a healthy lifestyle.

The partnership with Nature's Emporium presents a significant opportunity for the Company to reach a wider customer base in Ontario and expand its market share in the natural and organic food industry. The Company is excited to work with Nature's Emporium, a reputable and trusted retailer that shares its mission of promoting a healthy and natural lifestyle.

Board Changes

During the reporting period, the Company underwent significant changes in its board and executive management. Harbir Toor resigned as a Director of the Company and the Independent Audit Chair. In her place, David Lutz, CPA, was appointed as a Director with his extensive experience in small business management consulting, corporate

DOSEOLOGY SCIENCES INC.

Management's Discussion and Analysis

For the years ended June 30, 2023 and 2022

finance, and business valuation.

Additionally, Pratik Patel, CPA, was appointed as a Director and Independent Audit Chair, bringing over 15 years of experience as a senior accounting and finance professional with expertise in integration and external reporting. He also replaced Peter Geh as CFO on March 3, 2023.

On March 31, 2023, Ralph Olson resigned as CEO and Director of the Company. In his place, Pratik (Tiki) Patel was appointed as interim CEO. Additionally, David Lutz resigned as Director of the Company during this period as well.

On May 5, 2023, Shawn Balaghi was appointed as Director of the Company, bringing over 20 years of experience in the capital markets, holding key roles in finance, corporate development, and strategic planning. Shawn was further appointed interim CEO and interim CFO on June 30, 2023, as Pratik Patel resigned as the Company's CFO, interim CEO and Director.

The Company remains committed to maintaining strong corporate governance practices and is confident that the new board and executive management team will continue to guide the Company towards growth and success.

RESULTS OF OPERATIONS

For the three and twelve months ended June 30, 2023 and 2022

The loss and comprehensive loss for the three months ended June 30, 2023, was \$1,142,612 compared to \$547,903 for the three months ended June 30, 2022. The increase in loss is described in further detail below, however, it is primarily due to one-time expenses and impairment of assets. Overall, the Company has reduced its cash outflow from operations and continues to streamline operations, while growing the various sales distribution channels. The company also benefited recovering \$96,760 in income tax credits through the government of Canada's SR&ED program.

The loss and comprehensive loss for the year ended June 30, 2023, was \$1,781,544 compared to \$1,939,321 for the year ended June 30, 2022. The decrease in loss is described in further detail below but is mainly attributable to the lower operating costs and an increase in sales.

For the three months ended June 30, 2023, revenues from product sales were \$11,059 compared to \$13,662 for the same period ending June 30, 2022. For the year ended June 30, 2023 the company had revenues of \$43,088 compared to \$16,048 for the prior year ended June 30, 2022.

Below is a reference to the Company's statements of loss and comprehensive loss for the three and twelve months ended June 30, 2023 and 2022 along with a discussion of the key factors that lead to the changes in operating expenses:

DOSEOLOGY SCIENCES INC.

Management's Discussion and Analysis

For the years ended June 30, 2023 and 2022

	For the three months ended		For the year ended	
	June 30,		June 30,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Income				
Product sales	11,059	13,662	43,088	16,048
Cost of sales	27,285	(162,796)	(1,802)	(164,427)
	38,344	(149,134)	41,286	(148,379)
Expenses				
Marketing	42,342	13,237	172,906	191,383
Investor relations	6,870	47,907	11,348	174,710
Product development and other costs	500	7,757	500	61,720
Leasehold operating costs	29,419	4,249	17,188	31,481
Consulting fees	4,686	10,500	16,811	74,128
Management fees	6,258	33,500	104,594	69,125
Professional fees	39,079	44,189	96,362	143,733
Regulatory filings and listing fees	2,980	4,928	27,905	169,913
Office	19,160	15,852	77,715	54,063
Salaries and benefits	46,704	102,001	295,393	472,547
Share-based compensation	43,988	17,477	83,404	85,926
Depreciation and amortization	(18,242)	27,876	66,093	139,534
	(223,744)	(329,473)	(970,219)	(1,668,263)
Other income (expenses)				
Interest and other income	8,317	624	65,040	6,836
Impairment of intangible assets	(18,249)	(51,208)	(12,452)	(51,208)
Interest accretion	18,543	(18,912)	(36,136)	(75,774)
Gain on lease termination	120,221	-	120,221	-
Loss on prepaid write-down	(833,250)	-	(833,250)	-
Loss on asset disposal	(252,794)	200	(252,794)	(2,533)
Government assistance	-	-	96,760	-
Loss and comprehensive loss for the period	(1,142,612)	(547,903)	(1,781,544)	(1,939,321)

Marketing

Marketing was \$42,342 for the three months ended June 30, 2023, compared to \$13,237 for the same period in 2022. The increase of \$29,105 (220%) was primarily due to the product launch and listing fees in order to sell the Company's product in various retail channels. For the year ended June 30, 2023 the Company incurred \$172,906 compared to \$191,383 for the same period in 2022. This decrease of \$18,477 (10%) relates to various one-time expenses incurred in the prior year as the Company was ramping up distribution channels.

Product development and other costs

Product development and other costs were \$500 for the three months ended June 30, 2023, compared to \$7,757 in the prior year three month ended June 30, 2022. For the year ended June 30, 2023, product development and other costs were \$500 compared to \$61,720 for the same period in 2022. This decrease is due to the Company completing the product development stage, resources and effort have shifted towards sales and marketing.

DOSEOLOGY SCIENCES INC.

Management's Discussion and Analysis

For the years ended June 30, 2023 and 2022

Consulting Fees

Consulting fees were \$4,686 for the three months ended June 30, 2023 compared to \$10,500 for the same period in 2022. For the year ended June 30, 2023, consulting fees were \$16,811 compared to \$74,128 for the same period in 2022. This decrease is attributable to hiring additional employees and the reallocation of consulting fees into management fees.

Management fees

Management fees were \$6,258 for the three months ended June 30, 2023, compared to \$33,500 for the same period in 2022. For year ended June 30, 2023, management fees were \$104,594 compared to \$69,125 for the same period in 2022. The increase was due to the Company currently having both a contracted CFO and CEO whereas in the prior period, some of these costs were included in salaries and benefits

Professional Fees

Professional fees were \$39,079 for the three months ended June 30, 2023 compared to \$44,189 for the same period in 2022. For the year ended June 30, 2023, professional fees were \$96,362 compared to \$143,733 for the same period in 2022. The decrease is related to higher professional fee in the prior year related to accounting fees for securing R&D tax credits, and various legal expenses related to the Company's initial public offering. Current period and year professional fees are associated with general corporate matters and the accrual of the year end audit fees.

Regulatory filing and listing fees

Regulatory filing and listing fees were \$2,980 for the three months ended June 30, 2023 compared to \$4,928 for the same period in 2022. For the year ended June 30, 2023, Regulatory filing and listing fees were \$27,905 compared to \$169,913 for the same period in 2022. The decrease was primarily due to accounting and legal fees related to preparing and filing of a prospectus for the listing of the Company's common shares on the Canadian Securities Exchange (CSE) on November 15, 2021.

Salaries and benefits

Salaries and benefits were \$46,704 for the three months ended June 30, 2023 compared to \$102,001 for the same period in 2022. For the year ended June 30, 2023 salaries and benefits were \$295,393 compared to \$472,547 for the same period in 2022. The decrease relates to the Company reducing its employee roles in, marketing, accounting and legal, in order to reduce the overall corporate costs associated with its personnel.

Gain on Lease Termination

Gain on lease termination of \$120,221 relates to the Company terminating its lease agreement from the farm property located in Vernon, BC. By obtaining the lease agreement release, the Company is no longer liable for required monthly lease payments up to June 2025. As a result, the Company remeasured its right of use lease asset and liability in accordance with the requirements of the Company's adopted cost model for measuring leases.

Loss on Prepaid Marketing

Loss on prepaid marketing of \$833,250 relates to the Company impairing the prepaid marketing costs that the Company had intended to defer. Due to the time that has passed since the Company entered into the marketing agreements, the Company assessed the likelihood of utilizing the terms of the agreement to its intended purpose and concluded that the value capitalized is greater than the value of the services that would be performed in current market conditions. Building sales channels and distribution is a lengthy process, and as the Company expands into more retail locations the Company intends to use these marketing services to help gain traction in the marketplace.

Loss on Asset Disposal

Loss on asset disposal of \$252,794 relates to the Company writing-off all leasehold improvements and associated furniture and fixtures that related to the leased farm property. Since the Company has terminated the lease, the Company no longer has the ability to utilize the facility and its assets.

DOSEOLOGY SCIENCES INC.

Management's Discussion and Analysis
For the years ended June 30, 2023 and 2022

SUMMARY OF QUARTERLY RESULTS

The Company's quarterly results for the last eight quarters are as follows:

	June 30, 2023 \$	March 31, 2023 \$	December 31, 2022 \$	September 30, 2022 \$
Revenue	11,059	9,808	17,058	5,163
Loss and comprehensive loss	(1,142,612)	(110,561)	(188,297)	(340,074)
loss per share - basic and diluted	(0.03)	-	(0.01)	(0.01)

	June 30, 2022 \$	March 31, 2022 \$	December 31, 2021 \$	September 30, 2021 \$
Revenue	13,662	2,386	-	-
Loss and comprehensive loss	(547,903)	(537,459)	(543,280)	(310,679)
loss per share - basic and diluted	(0.01)	(0.01)	(0.01)	(0.01)

As a start-up, for quarters ending June 30, 2023 and prior, the Company was primarily focused on market research, product development, and implementing internal systems to support the growth of the Company over the next few years. With the foundation set and the "going public" milestone reached in November 2021, from early February 2022 and onwards the Company has shifted focus to the sales and distribution of its line of functional mushroom products. As of June 30, 2023 the Company has made meaningful progress regarding its sales strategy. As further noted above in the highlights section of this MD&A, the Company has placed its products in several well-known retail chains already and the Company expects this will translate into increased revenues over the coming quarters.

The change in loss and comprehensive loss for the three months ended June 30, 2023, compared to the same period in 2022, is primarily due to one-time expenses and impairment of assets. Outside of these one-time expenses, the Company has made significant progress towards decreasing operating expenses.

CAPITAL RESOURCES AND LIQUIDITY

As of June 30, 2023, the Company had cash of \$1,301,478 (June 30, 2022 - \$1,874,416) and working capital of \$1,251,236.

Cash used in operating activities for year ended June 30, 2023, was \$481,054 compared to \$1,711,154 for the same period in 2022, a decrease of \$1,230,100. The decrease in cash used in operating activities was primarily because the company settled significant accounts payable in connection with the Company's share listing in 2022. The Company also decreased cash used in operating activities as the Company continued to reduce its overall corporate expenditures.

Cash used in investing activities for year ended June 30, 2023, was \$nil compared to \$7,875 for the same period in 2022. The amount incurred in 2022 was for the purchase of farm and office equipment.

Cash used in financing activities for the year ended June 30, 2023, was \$91,884 compared to \$140,079 for the comparable period in 2022. The cash used in financing activities in 2023 was primarily due to lease payments associated with the Company's farm and office properties. The cash used in financing activities for the same period in 2022 was due to share issuance costs, repayment of lease liability, and offset by payments received from related parties.

DOSEOLOGY SCIENCES INC.

Management's Discussion and Analysis
For the years ended June 30, 2023 and 2022

Going concern

The Company has generated minimal revenue to date and has relied on equity financings to finance its operations. The ability of the Company to continue as a going concern and meet its commitments as they become due is dependent on the Company's ability to obtain the necessary financing to fund its ongoing operations until the Company can generate sufficient revenue to sustain its operations. Although the Company has been successful in raising capital there is no assurance that this will continue as there can be unforeseen changes in regulatory environment, market conditions or other global factors.

The consolidated financial statements were prepared on a going concern basis, which assumes the Company will be able to meet its obligations as they become due for the next twelve months. The financial statements do not give effect to any adjustment which would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the financial statements. Such adjustments could be material.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

COMMITMENTS

The Company is committed to the following minimum lease payments as of March 31, 2023:

	June 30, 2023	June 30, 2022
	\$	\$
Maturity analysis		
Less than one year	45,803	163,882
One year to five years	7,683	293,487
Total undiscounted lease liability	53,486	457,369

On January 1, 2023, the Company obtained a lease agreement release from the landlord of the Company's farm property located in Vernon, BC. See note 9 in the Company's Consolidated Financial Statements and the above "Strategy and Outlook" section within this MD&A for more details. The effect of the release was a reduction in required monthly lease payments totalling \$240,000 to June 2025.

DOSEOLOGY SCIENCES INC.

Management's Discussion and Analysis
For the years ended June 30, 2023 and 2022

TRANSACTIONS WITH RELATED PARTIES

Key management personnel include directors and officers who have the authority and responsibility for the planning, directing, and controlling the activities of the Company. The compensation paid to these key management personnel for the three and six months ended June 30, 2023 and 2022 is as below:

	Three months ended		Year Ended	
	June 30, 2023 \$	June 30, 2022 \$	June 30, 2023 \$	June 30, 2022 \$
Management fees	10,209	37,000	108,545	72,625
Professional fees	7,111	-	12,470	44,139
Listing expenses	-	-	-	106,756
Lease payments	-	24,000	-	96,000
Salaries and benefits	-	-	-	58,299
Share-based compensation	-	11,124	28,706	58,850
	17,320	72,124	149,721	436,669

Management fees

During the year ended June 30, 2023, the Company incurred \$58,074 (June 30, 2022: \$19,500) in management fees to Ralph Olson, a former director and the CEO of the Company. In addition, during the year ended June 30 2023, the Company incurred \$nil (June 30, 2022: \$24,000) in management fees to Daniel Vice, a director and the Company's former CEO. In addition, during the year ended June 30, 2023, the Company incurred \$37,063 (June 30, 2022: \$25,625) in management fees to a consulting firm where Peter Geh, the Company's former CFO, is the owner. In addition, during the year ended June 30, 2023, the Company incurred \$13,409 (June 30, 2022: \$nil) in management fees to a consulting firm where Pratik Patel, the Company's former CFO, is the owner. In addition, during the year ended June 30, 2023, the Company incurred \$nil (June 30, 2022: \$2,500) to a consulting firm where Gordon Jang, a former director, is the owner. Included in accounts payable as at June 30, 2023 is \$nil (June 30, 2022: \$6,500)

Professional fees and listing expenses

During the year ended June 30, 2023, the Company incurred \$12,470 (June 30, 2022: \$44,139) in professional fees and \$nil (June 30, 2022: \$106,756) in listing expenses to a law firm where Scott Reeves, a director of the Company, is a partner.

Share-based compensation

During the year ended June 30, 2023, the Company incurred share-based compensation of \$28,706 (June 30, 2022: \$58,850) to directors and officers.

Salaries and benefits

During the year ended June 30, 2023, the Company paid \$nil (June 30, 2022: \$58,299) in salary, severance and related benefits to Maryam Marissen, the Company's former CEO.

DOSEOLOGY SCIENCES INC.

Management's Discussion and Analysis
For the years ended June 30, 2023 and 2022

CRITICAL ACCOUNTING ESTIMATES

The preparation of the consolidated financial statements in conformity with IFRS requires the Company's management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements are as follows:

Useful lives of property and equipment

Property and equipment are depreciated over their useful lives. Useful lives are based on management's estimate and using industry norms which are periodically reviewed for continued appropriateness. Changes to estimates can result in significant variations in the carrying value and amounts charged to the statement of loss and other comprehensive loss in specific periods.

Impairment

Long-lived assets, including equipment and intangibles, are reviewed for indicators of impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the CGU). Judgements and estimates are required in defining a CGU and determining the indicators of impairment and the estimates required to measure an impairment, if any.

Share-based payments

The Company measures the cost of equity-settled transactions with employees and non-employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating the fair value requires determining the most appropriate inputs to the valuation model including the expected life of the instrument, volatility, risk-free interest rate and dividend yield.

Income taxes

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these income tax provisions at the end of each reporting period. However, it is possible that at some future date an additional liability could result from audits by tax authorities. Where the outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made. Deferred tax assets are recognized where it is determined that the Company is likely to recognize their recovery from the generation of taxable income.

FINANCIAL INSTRUMENTS

Fair value

IFRS 13, *Fair Value Measurement*, establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. IFRS 13 prioritizes the inputs into three levels that may be used to measure fair value.

The following table summarizes the carrying and fair value of the Company's financial instruments. The fair values

DOSEOLOGY SCIENCES INC.

Management's Discussion and Analysis For the years ended June 30, 2023 and 2022

of these financial instruments approximate their carrying values mostly because of their current nature.

	June 30, 2023 \$	June 30, 2022 \$
Cash *	1,301,478	1,874,416
Accounts receivable	17,100	85,412
Accounts payable and accrued liabilities	48,918	125,410
Lease liability	50,272	746,099

* Cash and cash equivalents are classified as fair value through profit and loss, all other financial instruments are classified as amortized cost. Interest income, interest expense, and gains and losses from financial assets and financial liabilities classified at amortized cost are recognized in the statement of loss and comprehensive loss.

Risks arising from financial instruments and risk management

Credit risk

Credit risk is the risk of loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

Foreign exchange risk

Foreign exchange risk arises from fluctuations in the future cash flows of a financial instrument because of changes in foreign exchange rates. The Company is not subject to significant foreign exchange rate risk as predominately all its transactions occur in Canadian dollars.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The observable impacts on the fair value and future cash flows of financial instruments that can be directly attributable to interest rate risk include changes in profit or loss from financial instruments whose cash flows are determined with reference to floating interest rates and potential changes in value of financial instruments whose cash flows are fixed in nature. The Company does not have any financial liabilities with floating interest rates but it does hold GIC investments. The GIC's are cashable and investment terms are 90 days or less to minimize cash flow and interest rate risk. Overall, the Company is exposed to minimal cash flow risk.

Liquidity and funding risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. As at June 30, 2023, the Company had a cash balance of \$1,301,478 to settle the current liabilities of \$91,602 which are due on demand or within 1 year.

Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions.

DOSEOLOGY SCIENCES INC.

Management's Discussion and Analysis
For the years ended June 30, 2023 and 2022

CAPITAL MANAGEMENT

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of equity comprising issued share capital, reserves, and deficit.

The Company manages its capital structure and adjusts it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other financing activities as deemed appropriate under specific circumstances.

The Company is not subject to externally imposed capital requirements and its overall strategy with respect to capital risk management remains unchanged as of June 30, 2023.

OUTSTANDING SHARE DATA

As at June 30, 2023, the following securities were issued and outstanding:

Issued and outstanding common shares	41,100,300
Incentive stock options	2,750,000
Share purchase warrants (1)	10,942,500
	<hr/>
	54,792,800
	<hr/>

(1) These share purchase warrants are exercisable at \$0.16-\$0.80 per share until November 2, 2023.

RISKS AND UNCERTAINTIES

Investing in the Company's securities involves a high degree of risk. In addition to the risks identified in this MD&A, current and prospective investors should carefully consider all the risk factors noted in the Company's final prospectus, a copy of which is available on SEDAR at www.sedar.com, before purchasing common shares or any other securities of the Company that may be offered or that are issued and outstanding from time to time. The risks identified in the Company's prospectus remain unchanged and such risk factors identified are not a definitive list of all risk factors associated with an investment in the Company or in connection with the Company's operations. The occurrence of any of such risks, or other risks not presently known to the Company or that the Company currently believes are immaterial, could materially and adversely affect the Company's investments, prospects, cash flows, results of operations or financial condition, and the Company's ability to make dividend payments to shareholders. The value of the Common Shares, or any other securities of the Company that may be offered or issued and outstanding from time to time, could decline and investors may lose all or part of their investment.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on its corporate website, www.doseology.com.