LOPHOS HOLDINGS INC.

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS

Three Months Ended June 30, 2023

(Expressed in Canadian Dollars)

Dated: August 29, 2023

INTRODUCTION

Lophos Pharmaceuticals Corp. ("Lophos Pharma") was incorporated under the Business Corporations Act (British Columbia) on September 13, 2021. The registered and head office of Lophos Pharma is located at 550 Burrard St #2900, Vancouver, BC V6C 0A3.

The Company's primary business focus is on the cultivation of peyote cactus for direct sale and the research of the compounds found within the peyote cactus, including Mescaline, for drug development. Furthermore, the Company is dedicated to the development, validation, and commercialization of innovative drug formulations from the compounds found within peyote, including Mescaline.

Lophos Holdings Inc. ("Lophos Holding" or "the Company") was incorporated under the Business Corporations Act (British Columbia) on October 14, 2020 under the name "Greenridez 2.0 Acquisitions Corp." and subsequently filed a notice of alteration of its articles in order to change its name to "Lophos Holdings Inc." on February 4, 2022. The registered and head office of the Company is located at 550 Burrard St #2900, Vancouver, BC V6C 0A3.

On December 23, 2021, the Company entered into a Share Exchange Agreement with the shareholders of Lophos Pharma, pursuant to which the Company agreed to acquire all of the issued and outstanding common shares of Lophos Pharma in consideration for the issuance of a total of 44,500,000 Common Shares to shareholders of Lophos Pharma in proportion with their respective interest in Lophos Pharma. The acquisition was accounted for as a reverse takeover ("RTO") whereby Lophos Pharma was identified as the acquirer for accounting purpose and accordingly the resulting consolidated financial statements are presented as a continuance of Lophos Pharma. After the RTO, the combined entity of Lophos Holdings and Lophos Pharma is referred to also as " the Company" in these consolidated financial statements.

On December 23, 2021, immediately following the closing of the share Exchange Agreement with the shareholders of Lophos Pharma, the Company entered into a Share Purchase Agreement with certain shareholders of Richmond Pharma Inc. ("Richmond Pharma"), pursuant to which the Company agreed to acquire all of the issued and outstanding common shares of Richmond Pharma held by Eric Hancox, Vassil Staykov and Sandra Williams in consideration of $1,985,400.

On December 23, 2021, immediately following the closing of the share Exchange Agreement with the shareholders of Lophos Pharma, the Company entered into a Share Purchase Agreements with certain shareholders of Richmond Pharma, pursuant to which the Company agreed to acquire all of the issued and outstanding common shares of Richmond Pharma held by Herman Holdings Limited ("HHL") in consideration for the issuance of a total of 17,500,000 Common Shares to Herman Holdings Limited. Subsequent to the closing of the acquisition, the Company entered into a debt settlement agreement with Herman Holdings Limited pursuant to which the Company issued 400,000 Common Shares at a deemed value of $0.10 per Common Share in order to settle an amount of $40,000 owing to Herman Holdings Limited.

The Canadian Dollar is the Company's functional and reporting currency. Unless otherwise noted, all dollar amounts are expressed in Canadian Dollars.

The following interim Management's Discussion & Analysis ("Interim MD&A") of Lophos Holdings Inc. ("Lophos" or the "Company") for the three month period ended June 30, 2023, has been prepared to provide material updates to the business operations, liquidity, and capital resources of the Company since its last annual management's discussion & analysis, being the Management Discussion & Analysis ("Annual MD&A") for the fiscal year ended March 31, 2023. This Interim MD&A does not provide a general update to the Annual MD&A, nor reflect any non-material events since the date of the Annual MD&A.

This Interim MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Company's Annual MD&A, audited annual financial statements for the years ended March 31, 2023 and period ended March 31, 2022, together with the notes thereto, and the unaudited condensed consolidated interim financial statements for the three months ended June 30, 2023, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed consolidated interim financial statements and the financial information contained in this Interim MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. Information contained herein is presented as of August 29, 2023, unless otherwise indicated.

For the purposes of preparing this Interim MD&A, management, in conjunction with the Board of the Company (the "Board"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations can be obtained from the offices of the Company.

CAUTIONARY NOTE REGARDING FORWARD LOOKING INFORMATION

This Interim MD&A contains forward-looking information and statements ("forward-looking statements") which may include, but are not limited to, statements with respect to the future financial or operating performance of the Company. Forward-looking statements reflect the current expectations of management regarding the Company's future growth, results of operations, performance and business prospects and opportunities. Wherever possible, words such as "may", "would", "could", "will", "anticipate", "believe", "plan", "expect", "intend", "estimate" and similar expressions have been used to identify these forward-looking statements. These statements reflect management's current beliefs with respect to future events and are based on information currently available to management. Forward-looking statements involve significant risks, uncertainties and assumptions. Many factors could cause the actual results, performance or events to be materially different from any future results, performance or events that may be expressed or implied by such forward-looking statements, including, without limitation, those listed in the "Risk Factors" section of this MD&A. Although the Company has attempted to identify important factors that could cause actual results, performance or events to differ materially from those described in the forward-looking statements, there could be other factors unknown to management or which management believes are immaterial that could cause actual results, performance or events to differ from those anticipated, estimated or intended. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or events may vary materially from those expressed or implied by the forward-looking statements contained in this MD&A. These factors should be considered carefully, and readers should not place undue reliance on the forward-looking statements. Forward-looking statements contained herein are made as of the date of this MD&A and the Company assumes no responsibility to update forward looking statements, whether as a result of new information or otherwise, other than as may be required by applicable securities laws.

Forward-Looking Statements	Assumptions	Risk Factors
The Company's (i) development of peyote and Lophophora compounds, (ii) demonstration of such product candidates' safety and efficacy in clinical trials, and	Financing will be available for development of new product candidates and conducting clinical studies; the actual results of the clinical trials will be favourable; development costs will not	Availability of financing in the amount and time frame needed for the development and clinical trials may not be favourable; increases in costs; uncertainties of COVID-19 pandemic;

Forward-Looking Statements	Assumptions	Risk Factors
(iii) obtaining regulatory approval to commercialize these product candidates.	exceed Lophos' expectations; the Company will be able to retain and attract skilled staff; the Company will be able to recruit suitable patients for clinical trials; all requisite regulatory and governmental approvals to commercialize the product candidates will be received on a timely basis upon terms acceptable to Lophos; applicable economic conditions are favourable to Lophos.	the Company's ability to retain and attract skilled staff; the Company's ability to recruit suitable patients for clinical trials; timely and favourable regulatory and governmental compliance, acceptances, and approvals; interest rate and exchange rate fluctuations; changes in economic conditions.
The Company's ability to obtain the substantial capital it requires to fund research and operations.	Financing will be available for Lophos' research and operations and the results thereof will be favourable; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to Lophos.	Changes in debt and equity markets; uncertainties of COVID-19 pandemic; timing and availability of external financing on acceptable terms; increases in cost of research and operations; interest rate and exchange rate fluctuations; adverse changes in economic conditions.
Factors affecting pre-clinical research, clinical trials and regulatory approval process of the Company's product candidates.	Actual costs of pre-clinical research, clinical and regulatory processes will be consistent with the Company's current expectations; the Company will be able to retain and attract skilled staff; the Company will be able to recruit suitable patients for clinical trials; the Company will be able to complete pre-clinical research and clinical studies on a timely basis with favourable results; all applicable regulatory and governmental approvals for product candidates will be received on a timely basis with terms acceptable to Lophos; debt and equity markets, exchange and interest rates, and other applicable economic and political conditions are favourable to Lophos; there will be a ready market for the product candidates.	Lophos' product candidates may require time-consuming and costly pre-clinical and clinical studies and testing and regulatory approvals before commercialization; the Company's ability to retain and attract skilled staff; uncertainties of COVID-19 pandemic; the Company's ability to recruit suitable patients for clinical trials; adverse changes in regulatory and governmental processes; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company will not be adversely affected by market competition.
The Company's ability to commercialize on its own or find and enter into agreements with potential partners to bring viable product candidates to commercialization.	Lophos will be able to commercialize on its own or to find a suitable partner and enter into agreements to bring product candidates to market within a reasonable time frame and on favourable terms; the costs of commercializing on its own or entering into a partnership will be consistent with Lophos' expectations; partners will provide necessary financing and expertise to bring product candidates to market successfully and profitably.	Lophos will not be able to commercialize on its own or find a partner and/or enter into agreements within a reasonable time frame; if the Company enters into agreements, these agreements may not be on favourable terms to Lophos; costs of entering into agreements may be excessive; uncertainties of COVID-19 pandemic; potential partners will not have the necessary financing or expertise to bring product candidates to market successfully or profitably.

Forward-Looking Statements	Assumptions	Risk Factors
The Company's ability to obtain and protect the Company's intellectual property rights and not infringe on the intellectual property rights of others.	Patents and other intellectual property rights will be obtained for viable product candidates; patents and other intellectual property rights obtained will not infringe on others.	Lophos will not be able to obtain appropriate patents and other intellectual property rights for viable product candidates; patents and other intellectual property rights obtained will be contested by third parties; no proof that acquiring a patent will make the product more competitive.
The Company's ability to source markets which have demand for its products and successfully supply those markets in order to generate sales.	The anticipated markets for the Company's potential products and technologies will continue to exist and expand; the Company's products will be commercially viable and it will successfully compete with other research teams who are also examining potential products.	The anticipated market for the Company's potential products and technologies will not continue to exist and expand for a variety of reasons, including competition from other products and the degree of commercial viability of the potential product.
Future actions with respect to and potential impacts of pending claims.	Lophos will be able to settle or otherwise obtain disposition of claims against it on favourable terms.	Lophos may will not be able to settle pending claims on favourable terms; claims may be adjudicated in a manner that is not favourable to Lophos.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also refer to those risk factors referenced in the "Risk Factors" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Interim MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

BUSINESS OVERVIEW

The Company's principal business pertains to the cultivation and research of Lophophora williamsii ("peyote cactus"). Additionally, in the long-term, the Company is engaged in the research and development of compounds derived from the peyote cactus.

Prior to completion of the Acquisition, the Company had not conducted any material business since incorporation other than pursuing its interests under the Share Exchange Agreement.

The Company was incorporated on October 14, 2020, pursuant to the BCBCA and prior to the completion of the Acquisition had not conducted any material business since incorporation other than pursuing its interests under the Share Exchange Agreement. The sole business of the Company from the date of its incorporation until executing the Share Exchange Agreement was to identify and evaluate opportunities for the acquisition of an interest in suitable businesses and, once identified and evaluated, to negotiate an acquisition subject to applicable corporate and securities laws, so as to complete a transaction. Until the completion of the Acquisition, the Company did not have a business, business operations or any material assets other than cash.

Upon completion of the Acquisition, the business of Lophos Pharmaceuticals Corp. became the business of the Company.

Cultivation of Peyote Cactus for Direct Sale

The Company's current business line includes the cultivation of peyote cactus for direct sale. Under Canadian law, the possession, sale, and distribution of peyote cactus is legal through an exemption to the Controlled Drugs and Substances Act (CDSA).

Research and Development

In addition to the cultivation of peyote cactus for direct sale, cultivated peyote cactus will be used by the Company to conduct pre-clinical research and development in Canada either directly through a CSDL at its Napanee facility, or indirectly with one or more third-party partners. Accordingly, the Company's additional business line which is subject to CSDL licensing includes the development of intellectual property related to the chemical composition of peyote and the custom formulation of Mescaline and related compounds and the research and development of novel drug delivery systems for Mescaline and other related molecules.

Mescaline (the primary psychoactive compound found in peyote cactus) may only be manufactured or sold by entities possessing a Controlled Substances Dealer's License ("CSDL") as granted by Health Canada. This includes conducting pre-clinical research and development. To maintain and extend a CSDL, a licensee must comply with Health Canada regulations, including submitting regular reports, maintaining accurate records, and adhering to security requirements for the handling, storage, and transportation of controlled substances. Further, once obtained, a holder must renew its CSDL prior to its expiration date and ensure that its facility and personnel meet the requirements for the license renewal.

To that end, the Company acquired Richmond Pharma on December 21, 2021, by which it acquired a cultivation and research facility in Napanee, Ontario, and as of February 2, 2022, has submitted a CSDL application for the production of base substance materials, sale, transport, laboratory analysis, research and development, distribution under Health Canada's Special Access Program ("SAP"), and the import/export of Mescaline.

The Company understands that Health Canada has accepted its CSDL application, completed an onsite security inspection of the facility, and is currently in queue for the final decision on the application. Once the CSDL has been granted, Lophos Pharma will research and process the peyote cactus at the Napanee facility. The Company may then provide Mescaline to entities that are approved to receive controlled substances or to patients that have been granted an exemption under Section 56 of the Canada's Food and Drugs Act. Approved customers would include any entity that is legally qualified to receive and hold Mescaline, as determined by Health Canada and any local regulatory authorities in their country of residency.

Although it remains the Company's intention to pursue and obtain its CSDL there can be no assurance that Health Canada will accept its CSDL application in the short or medium term. During the application and review process, the Company determined that it was in its best interest to identify a third party and establish a contractual relationship with

same to conduct CSDL restricted activities on behalf of the Company. On July 10, 2023, Lophos Pharma entered into the Sigma MSA with Sigma, pursuant to which Lophos Pharma retained the services of Sigma, a Health Canada licensed analytical testing and research and development institution, to conduct pre-clinical research and development for and on behalf of Lophos Pharma. Such services shall be provided by Sigma based on statements of work as may be required by Lophos Pharma.

The Company also entered into a collaboration agreement dated February 3, 2022, with PharmaTher Ltd. pursuant to which Lophos Pharma will have the exclusive worldwide rights to license their proprietary transdermal microneedle patch (Hydrogel) drug delivery system for Mescaline. The Company plans to perform the research and development necessary to consider further studies under this agreement and the possibility of incorporating a novel drug delivery system developed by PharmaTher Ltd.

A "novel drug delivery system" described above refers to a method or technology used to deliver medication to the body in a more effective and targeted manner than traditional drug delivery methods. These systems can enhance the pharmacokinetic and pharmacodynamic properties of drugs, improving their efficacy and safety. Examples of novel drug delivery systems include liposomes, nanoparticles, and implantable devices. These systems can improve drug solubility, absorption, bioavailability, and target specific tissues or cells, reducing side effects and increasing therapeutic outcomes. Any work relating to novel drug delivery systems as they relate to Mescaline will be conducted in association with appropriate third parties, such as PharmaTher Ltd.

CORPORATE HIGHLIGHTS

Financings

On May 5, 2023, the Company completed the first tranche of the private placement at which time the company issued an aggregate of 1,500,001 units at $0.15 for gross proceeds of $225,000. Each Unit consists of one (1) common share and one (1) common share purchase warrant. Each Warrant entitles the holder to acquire one Common Share at a price of $0.20 per Common Share for a period of 24 months following the issuance of such Warrant. In connection with the closing, the company paid cash finder fees of $22,500 and issued 75,000 non-transferable finder warrants entitling the holder to purchase one common share at a price of $0.20 for a period of two years from closing and 75,000 compensation common shares issued at a deemed value price of $0.15 per common share.

On August 10, 2023, the Company completed the closing of a second tranche of the Concurrent Private pursuant to which it issued 4,170,005 Units, at a price per Unit of $0.15, for gross proceeds to the Company of $625,500.75. Each Unit issued under the closing of the second and final tranche of the Concurrent Private Placement is comprised of one Common Share and one Common Share purchase warrant entitling the holder thereof to acquire one additional Common Share, at an exercise price of $0.20, for a period of 24 months. The Company also issued 167,666 Broker Warrants to a registered dealer. Each Broker Warrant entitles the holder thereof to acquire one Common Share, at an exercise price of $0.20, for a period of 24 months. The Company also issued 503,000 Common Shares as compensation, at a deemed issue price of $0.15, to the same registered dealer.

Public listing and Controlled Substances Dealers License

In addition, on August 11, 2023, the Company received the conditional approval from the Canadian Securities Exchange (CSE) to list the Company's common shares on the CSE. The Company is working to satisfy the remaining conditions for the final listing on the CSE as soon as possible. In this regard, on August 14, 2023, the Company received a receipt from the British Columbia Securities Commission for its final prospectus dated August 11, 2023, thus becoming a reporting issuer in the Province of British Columbia. Finally, Lophos Pharmaceuticals Corp., the Company's wholly owned subsidiary, received its Controlled Substances Dealers License (CSDL) from Health Canada, effective as of August 23, 2023. The Controlled Substances Dealers License (CSDL) permits Lophos

Pharmaceuticals to possess, produce, sell/provide, send, transport and deliver the controlled substances covered by the license, namely mescaline, psilocin and psilocybin.

RESULTS OF OPERATIONS

The Company reported a net loss of $394,002 for the three months ended June 30, 2023 which is comprised of $3,358 salaries and benefits, $144,658 professional fees $7,015 depreciation for fixed assets, $5,650 shareholding information, $50,942 interest expense, stock-based compensation of $174,459 and $7,920 office and general. The Professional fees is comprised of accounting fees of $9,862, audit fees of $7,500, legal fees of $97,281, consulting fees of $26,266 and CFO fees of $3,750.

The Company reported a net loss of $276,712 for the three months ended June 30, 2022 which is comprised of $36,204 salaries and benefits, $138,383 professional fees $11,176 depreciation for fixed assets, $7,811 investor relations, $678 shareholder information, $41,752 interest expense, and $40,708 office and general. The professional is comprised of accounting fees of $3,155, CFO fees of $5,000, legal fees of $81,506, engineering of $5,793 and consulting fees of $42,929.

The increase of expenses during the three months ended June 30, 2023 compared to the three months ended June 30, 2022 was due to the fact that during the three months ended June 30, 2023, the Company incurred more professional fees to prepare for prospectus filing and listing and also incurred stock-based compensation for the stock options granted on January 31, 2023 which vest as to one quarter (1/4) in every three months from the date of grant.

LIQUIDITY AND CAPITAL RESOURCES

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. As the Company does not presently generate revenue to cover its costs, managing liquidity risk is dependent upon the ability to secure additional financing. The recoverability of the carrying value of the assets and the Company's continued existence is dependent upon the achievement of profitable operations, or the ability of the Company to raise alternative financing, as necessary. While management and the Board have been successful in raising the necessary capital, it cannot provide assurance that it will be able to execute on its business strategy or be successful in future financing activities.

As at June 30, 2023, the Company had a cash balance of $270,149 and accounts receivable of $166,734 which represent the HST, inventory of $9,714 and prepaid expense of $8,372 to settle current liabilities of $622,849. This represents a working capital of $167,880 which is comprised of current assets less current liabilities. The Company has not yet realized profitable operations and has incurred losses to date resulting in a cumulative deficit of $1,712,122 as at June 30, 2023.

RELATED PARTY TRANSACTIONS

(a) Related party balances and transactions

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. The below noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022
Marrelli Group (i)	13,612	8,334
Canalytica Inc. ("Canalytica") (ii)	nil	48,036

(i) During the three months ended June 30, 2023, the Company paid professional fees totaling $13,612 to Marrelli Support Services Inc. ("Marrelli Support"), and certain of its affiliates, all of which are controlled by Carmelo Marrelli (together known as the "Marrelli Group") for: (i) Remantra Sheopaul to act as the Chief Financial Officer of the Company; (ii) bookkeeping and office support; (iii) corporate secretarial; (iv) transfer agent; and (v) regulatory filing services. Anup Sheopaul is an employee of Marrelli Support. The Marrelli Group was owed $21,393 (March 31, 2023 - $1,104) and these amounts were included in amounts payable and accrued liabilities.

(ii) Fees included in professional fees related to the consulting services provided by Canalytica. The Chief Executive Officer of the Company is a director of Canalytica. As at June 30, 2023, $nil (March 31, 2023 - $nil) was owed to Canalytica by the Company.

(iii) The Company owed certain shareholder $21,440 (March 31, 2023 - $21,440) as at June 30, 2023.

(iv) The Company issued a convertible debenture of $150,000 to Wolf Acquisition 1.0 Corp. ("Wolf Acquisition), a company that shares a director with Lophos. As at June 30, 2023, the Company had $8,115 accrued interest on the convertible debenture owed to Wolf Acquisition which was included in the accounts payable and accrued liabilities.

(b) Remuneration of directors and key management

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. Remuneration of management of the Company was as follows:

	Three Months Ended June 30,	Three Months Ended June 30,

	2023	2022
Salaries and benefits	3,358	36,204

(c) Major shareholders

To the knowledge of the directors and senior officers of the Company, as at June 30, 2023, no person or corporation beneficially owns or exercises control over common shares of the Company carrying more than 10% of the voting rights attached to all common shares of the Company other than HHL which controls 22% of the Company and Catalytica which controls 14%. The holdings can change at any time at the discretion of the owners.

None of the Company's major shareholders have different voting rights compared to holders of the Company's common shares.

The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change in control of the Company. To the knowledge of the Company, it is not directly or indirectly owned or controlled by another corporation, by any government or by any natural or legal person severally or jointly.

SHARE CAPITAL STRUCTURE

As at the date of this MD&A, the Company had 85,859,673 common shares, 17,872,922 warrants and broker warrants and 4,325,000 stock options.

CAPITAL MANAGEMENT

The Company objectives when manages its capital is to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions and to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and adjusts according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company's ability to continue to carry out its planned activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

The Company considers its capital to be equity, which comprises share capital, special warrants, warrants, contributed surplus and, accumulated deficit, which at June 30, 2023 totaled equity of $1,459,215.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

OFF-BALANCE SHEET ARRANGEMENTS

As of the date of this filing, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUTH SIGNIFICANT REVENUE

Expenses

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022
Salaries and benefits	3,358	36,204
Professional fees	144,658	138,383
Depreciation	7,015	11,176
Investor relations	nil	7,811
Shareholder information	5,650	678
Office and general	7,920	40,708
Interest expense	50,942	41,752
Stock-based compensation	174,459	nil
Total	**394,002**	**276,712**

RISK FACTORS

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk Factors" in the Company's annual MD&A for the year ended March 31, 2023 and period from September 13, 2021 (date of incorporation) to March 31, 2022.