LOPHOS HOLDINGS INC.

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS

Three and Nine Months Ended December 31, 2023

(Expressed in Canadian Dollars)

Dated: February 28, 2024

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.

The Company has two fully-controlled subsidiaries: Lophos Holdings and Richmond Pharma Inc. ("Richmond Pharma").

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.

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 and nine month period ended December 31, 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 and nine months ended December 31, 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 February 28, 2024, 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, and (ii) obtaining regulatory approval to commercialize these product candidates.	Financing will be available for development of new product candidates and conducting clinical studies; development costs will not exceed Lophos' expectations; the Company will be able to retain and attract skilled staff; 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.	Availability of financing in the amount and time frame needed for the development may not be favourable; increases in costs; the Company's ability to retain and attract skilled staff; 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; 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.
The Company's ability to obtain and protect the Company's intellectual property rights and	Patents and other intellectual property rights will be obtained for viable product candidates; patents and other	Lophos will not be able to obtain appropriate patents and other intellectual property rights for viable product candidates; patents and

Forward-Looking Statements	Assumptions	Risk Factors
not infringe on the intellectual property rights of others.	intellectual property rights obtained will not infringe on others.	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.

On September 19, 2023, the Company shared a substantial milestone. Its wholly-owned subsidiary, Lophos Pharmaceuticals Corp., has initiated the early enrollment phase for acquiring peyote cactus (Lophophora williamsi) via its official website, www.lophos.com.

On October 10, 2023, the Company shared additional information on its wholly-owned subsidiary, Lophos Pharmaceuticals Corp., which has achieved a significant milestone by obtaining a Controlled Substance Dealer's License from Health Canada for their facility located in Napanee, Ontario.

On November 21, 2023, the Company shared additional information on its wholly-owned subsidiary, Lophos Pharmaceuticals Corp., which had achieved an important milestone by obtaining a significant amendment to its Controlled Substance Dealer's license by Health Canada for its facility located in Napanee, Ontario.

On January 23, 2024, the Company announced a significant stride in the natural health sector. Health Canada's recent recognition of Lophophora williamsii as a Natural Health Product ingredient marks a pivotal moment in the therapeutic use of psychoactive plants, reinforcing Lophos' position at the forefront of this innovative field.

On January 31, 2024, the Company provided insight into the accomplishments of its wholly owned subsidiary, Lophos Pharmaceuticals Corp. The subsidiary has achieved a noteworthy milestone in the cultivation and ethical distribution of psychoactive plants and announced the formalization of product release specifications for both fresh and dried peyote (Lophophora williamsii).

RESULTS OF OPERATIONS

Nine months ended December 31, 2023

	Nine Months Ended December 31, 2023 $	Nine Months Ended December 31, 2022 $	Variance $	Explanation
Salaries and benefits	3,358	100,435	(97,077)	The Company has suspended salaries to the chief executive officer of the company to conserve cash.
Professional fees	240,492	336,264	(95,772)	During the nine months ended December 31, 2022, the Company was in the process of going public and incurred more professional fees.
Depreciation	21,200	33,511	(12,311)	The depreciation is calculated on a declining balance basis thus the depreciation for the current period is lower than the same period of last year with insignificant additions during the period.
Investor relations	7,908	7,811	97	Investor relation expenses are comparable period over period.
Shareholder information	21,527	1,273	20,254	The higher shareholder information expenses are due to the fact that the Company has become a public company since August 2023 and more such expenses were incurred this period than the same period of last year.
Office and general	124,244	89,157	35,087	The higher office and general expenses are higher this period than the same period of last year due to higher insurance expense and repair and maintenance expenses.

Interest expense	149,481	125,722	23,759	The higher interest expense is mainly due to the interest incurred on the loan payable borrowed and repaid during the nine months ended December 31, 2023.
Stock-based compensation	312,547	-	312,547	The stock options were granted in January 31, 2023 and there were no stock options being vested during the same period of last year.
Total expenses	**880,757**	**694,173**	**186,584**	
Unrealized gain on changes in fair value of biological assets	(1,330)	-	(1,330)	The Company started the cultivation of biological assets from the three and nine months ended December 31, 2023
Net loss and comprehensive loss	**879,427**	**694,173**	**185,254**	

Three months ended December 31, 2023

	Three Months Ended December 31, 2023 $	Three Months Ended December 31, 2022 $	Variance $	Explanation
Salaries and benefits	-	23,846	(23,846)	The Company has suspended salaries to the chief executive officeer of the company to conserve cash.
Professional fees	53,611	141,070	(87,459)	During the nine months ended December 31, 2022, the Company was in the process of going public and incurred more professioanl fees.
Depreciation	7,092	11,211	(4,119)	The depreciaiton is calculated on a declining balance basis thus the depreciation for the current period is lower than the same period of last year with insignificant additions during the period.
Investor relations	186	-	186	Investor relation expenses are comparable period over period.
Shareholder information	3,435	-	3,435	The higher shareholder information expenses are due to the fact that the Company has become a public company since August 2023 and more such expenses were incurred this period than the same period of last year.

Office and general	26,006	2,350	23,656	The higher office and general expenses are higher this period than the same period of last year mainly due to higher insurance expense.
Interest expense	46,911	45,867	1,044	Interest expenses are comparable period over period.
Stock-based compensation	44,839	-	44,839	The stock options were granted in January 31, 2023 and there were no stock options being vested during the same period of last year.
Total expenses	**182,080**	**224,344**	**(42,264)**	
Unrealized gain on changes in fair value of biological assets	(1,330)	-	(1,330)	The Company started the cultivation of biological assets from the three and nine months ended December 31, 2023
Net loss and comprehensive loss	**180,750**	**224,344**	**(43,594)**	

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 December 31, 2023, the Company had a cash balance of $203,292 and accounts receivable of $210,435 which represent the HST, inventory of $9,714 , prepaid expense of $8,372 and biological assets of $12,330 to settle current liabilities of $367,281. This represents a working capital of $76,862 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 $2,132,861 as at December 31, 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 December 31, 2023 $	Three Months Ended December 31, 2022 $	Nine Months Ended December 31, 2023 $	Nine Months Ended December 31, 2022 $
Marrelli Group (i)	14,249	17,698	45,901	33,102
Canalytica Inc. ("Canalytica") (ii)	44,000	32,632	44,000	86,354

(i) During the three and nine months ended December 31, 2023, the Company paid professional fees totaling $14,249 and $45,901, respectively, 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. Remantra Sheopaul is an employee of Marrelli Support. As at December 31, 2023, the Marrelli Group was owed $3,631 (March 31, 2023 - $9,435) 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 December 31, 2023, $4,520 (March 31, 2023 - $nil) was owed to Canalytica by the Company.

(iii) The Company owed certain shareholder $21,440 as at December 31, 2023 (March 31, 2023 - $21,440). The loans are unsecured, non-interest bearing and due on demand.

(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 December 31, 2023, the Company had $17,115 (March 31, 2023 - $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 December 31, 2023 $	Three Months Ended December 31, 2022 $	Nine Months Ended December 31, 2023 $	Nine Months Ended December 31, 2022 $
Salaries and benefits	nil	23,846	3,358	100,435
Share based payment	27,733	nil	193,309	nil

(c) Major shareholders

To the knowledge of the directors and senior officers of the Company, as at December 31, 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 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, 12,392,672 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 December 31, 2023 totaled equity of $2,132,861.
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 December 31, 2023 $	Three Months Ended December 31, 2022 $	Nine Months Ended December 31, 2023 $	Nine Months Ended December 31, 2022 $
Salaries and benefits	nil	23,846	3,358	100,435
Professional fees	53,611	141,070	240,492	336,264
Depreciation	7,092	11,211	21,200	33,511
Investor relations	186	nil	7,908	7,811
Shareholder information	3,435	nil	21,527	1,273
Office and general	26,006	2,350	124,244	89,157
Interest expense	46,911	45,867	149,481	125,722
Stock-based compensation	44,839	nil	312,547	nil
Total	**182,080**	**224,344**	**880,757**	**694,173**

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.