MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2024
As of May 30, 2024

This management discussion and analysis ("MD&A") of FendX Technologies Inc. (the "Company" or "FendX") is for the three months ended March 31, 2024. We have prepared this MD&A with reference to National Instrument 51-102 – Continuous Disclosure Obligations of the Canadian Securities Administrators and this MD&A provides a review of activities, results of operations and financial condition of the Company. This MD&A should be read in conjunction with the Company's unaudited condensed interim financial statements for the three-month period ended March 31, 2024, and the related notes thereto (the "Financial Statements") and the audited financial statements for the year ended December 31, 2023 and the notes related thereto. The Company's Financial Statements are prepared by management in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in Canadian dollars unless otherwise indicated.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain "forward looking information" within the meaning of applicable securities laws in Canada. Forward looking information may relate to our future financial outlook and anticipated events or results and may include information regarding our financial position, business strategy, growth strategies, budgets, operations, financial results, taxes, dividend policy, plans and objectives. Particularly, information regarding our expectations of future results, performance, achievements, prospects or opportunities or the markets in which we operate is forward looking information. In some cases, forward looking information can be identified by the use of forward looking terminology such as "plans", "targets", "expects" or "does not expect", "is expected", "an opportunity exists", "budget", "scheduled", "estimates", "outlook", "forecasts", "projection", "prospects", "strategy", "intends", "anticipates", "does not anticipate", "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "will", "will be taken", "occur" or "be achieved". In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward looking information. Statements containing forward looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events or circumstances. Forward-looking statements in this MD&A include but are not limited to statements relating to:

- our expectations regarding industry trends, overall market growth rates and our growth rates and growth strategies;
- our ability to obtain funding for our operations;
- the use of available funds;
- the performance of the Company's business and operations;
- our expectations regarding revenues, expenses and anticipated cash needs;
- the intention to grow our business and operations;
- the expected timing and completion of our near-term objectives;
- laws and regulations and any amendments thereto applicable to us;
- our competitive advantages and business strategies;
- our future product offerings;
- our research and development and scale-up initiatives and expected results thereof;
- our ability to enter into and maintain distribution, manufacturing and other business relationships;
- our plans with respect to the payment of dividends; and
- the market price for the common shares.

The forward-looking information in this MD&A is based on our opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct.

In providing forward-looking information, we have made certain assumptions in respect of our ability to build our market share; the performance of the Company's business and operations; our ability to retain key personnel; our ability to maintain and expand geographic scope; our ability to execute on our research and development plans; our ability to execute our scale-up and commercialization plans; our ability to execute on our expansion plans; our ability to continue investing in our product candidates to support our growth; our ability to obtain financing on acceptable terms; currency exchange and interest rates; the impact of competition; our ability to enter into and maintain licensing, manufacturing, and distribution agreements; the changes and trends in our industry or the global economy; the size of the target markets for our product candidates; our ability to maintain, expand and protect our intellectual property; and the changes in laws, rules, regulations, and global standards.

The forward-looking information in this MD&A is subject to known and unknown risks and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied, including but not limited to the risks described below and the additional risks factors described under the heading "Risk Factors".

In evaluating forward-looking statements, current and prospective shareholders should specifically consider various factors, including the risks outlined below under the headings "Financial Instruments and Risk Management" and "Risk Factors".

The forward-looking statements contained in this MD&A reflect our views and assumptions only as of the date of this MD&A. The Company undertakes no obligation to update or revise any forward-looking statements after the date on which the statement is made, except as required by applicable laws, including the securities laws of Canada.

Actual results could differ materially from those anticipated in forward-looking statements stated within the MD&A.

OVERVIEW

The Company was incorporated under the Business Corporations Act (British Columbia) on July 28, 2020 under the name "1259192 B.C. LTD". It changed its name to "FendX Technologies Inc." on September 18, 2020. The Company does not have any subsidiaries. The Company's common shares are listed for trading on the Canadian Securities Exchange ("CSE") under the symbol "FNDX", the OTCQB Venture Market ("OTCQB") under the symbol "FDXTF" and the Frankfurt Stock Exchange ("FSE") under the symbol "E8D".

FendX is an early-stage nanotechnology company focused on developing surface protection coating products that protect surfaces from pathogen contamination, including potentially lethal bacteria and viruses. The Company is currently developing its anticipated first product, REPELWRAP™ film, a film coating to protect high-contact surfaces from contamination to reduce the transmission of harmful pathogens. The Company's business strategy is to complete additional research and development work on its film technology which it anticipates will lead to the commercial development of REPELWRAP™ film as well as develop and commercialize other follow-on protective coating products, including the Company's licensed spray technology as well as perform research and development for the development of a nano-coating for catheters.

To-date, the film technology has been shown to effectively repel certain pathogens that come into contact with its surface. Although this film technology is still in the development stage, the Company believes this film technology will be important to control the spread of pathogens on surfaces that are prone to contamination. This film technology works by combining hierarchical wrinkled molecular structure with chemical functionalization to reduce pathogen adhesion and biofilm formation. It is flexible and can be applied to many surface shapes.

The Company's future performance depends on, among other things, its ability to: (i) fund the Company's research and development requirements pursuant to the Collaborative Research Agreement, Spray CRA and Catheter Coating

CRA (all as defined below); (ii) complete the development, scale-up and testing of REPELWRAP™ film; (iii) enter into formal engagements with distribution and manufacturing partners; and (iv) complete the research, development, scale-up and testing of additional future products, including products developed from its spray nanotechnology and catheter coating formulation.

NATURE OF OPERATIONS

The Company is a nanotechnology company focused on the development of surface protection coatings. To date, the Company has licensed technologies related to both film and spray formulations from McMaster University, Hamilton, Ontario, Canada ("McMaster"). The Company entered into a License Agreement (as defined below) with McMaster dated February 5, 2021, as amended July 14, 2021, July 15, 2022 and March 4, 2024, which provides the Company with an exclusive world-wide license to several patent applications, one granted patent and certain technology to develop and commercialize surface coatings (the "Licensed Technology"). The Company is conducting research and development ("R&D") activities using the Licensed Technology in collaboration with McMaster and Drs. Leyla Soleymani and Tohid Didar, both at McMaster (together, the "Lead Researchers"). R&D activities associated with REPELWRAP™ film and the catheter nano-coating both fall under Licensed Technology. A first R&D collaboration agreement entered into with McMaster with an effective date of August 1, 2021, as amended on April 11, 2023 with an effective date of January 1, 2023 (the "Collaborative Research Agreement" or "CRA") sets out the R&D activities for REPELWRAP™ film and a R&D collaboration agreement entered into with McMaster dated December 12, 2023 with an effective date of December 1, 2023 (the "Catheter Coating CRA") sets out the R&D activities for the catheter nano-coating project.

The Lead Researchers initially created a surface coating film prototype, referred to herein as the original lab prototype film, has been shown to effectively repel certain pathogens that come into contact with its surface. Although this film is still in the development stage, the Company believes this film will be important to control the spread of pathogens on surfaces that are prone to contamination. This film technology works by combining hierarchical wrinkled molecular structure with chemical functionalization to reduce pathogen adhesion and biofilm formation. The film is flexible and has the potential to be applied to many surface shapes.

The Company also entered into a license agreement for the spray formulation with McMaster dated May 16, 2023, as amended July 20, 2023 (the "Spray License Agreement"), which provides the Company with an exclusive world-wide license to certain technology including a U.S provisional patent application, to develop and commercialize a bifunctional spray surface coating formulation (the "Spray Licensed Technology"). The Company also entered into R&D collaboration agreement dated July 20, 2023 with McMaster with an effective date of July 1, 2023 (the "Spray Collaborative Research Agreement" or "Spray CRA") which details the conduct of R&D related to the Spray Licensed Technology. The spray formulation is in development stage at McMaster which has been shown to effectively repel certain pathogens that come into contact with its surface, as well as effectively inactivate residual pathogens on the surface. The Lead Researchers at McMaster also created the Spray Licensed Technology.

The Company believes both the film and spray surface coatings are unique and differentiated from current protective coatings in the marketplace. McMaster's R&D efforts and results, as published in several journals to-date, have shown the original lab prototype film and the early-stage spray formulation to be effective in repelling and preventing biofilm formation of World Health Organization-designated priority pathogens such as Gram-positive methicillin-resistant Staphylococcus aureus, Pseudomonas aeruginosa, Bacillus subtilis and Enterococci strains, as well as being effective in repelling SARS-CoV-2 related viruses. In addition, the spray formulation has shown to provide additional killing of residual pathogens on its surface. The Company believes that both its REPELWRAP™ film and its spray-on film technology may be timely products once developed as they are geared towards reducing the spread of viruses and other pathogens. (See "*R&D Project Update*").

In collaboration with consultants to optimize the scalability of the original lab prototype film with McMaster, the Company and its consultants recommended reformulating the original lab prototype film to streamline the scale-up process. As a result, McMaster, as part of its work under the CRA, developed a reformulated lab prototype film that shows the same repelling properties as compared to the original lab prototype film based on laboratory testing at McMaster. The Company, with McMaster, has successfully completed the assessment and testing of the scalability of this reformulated film, referred to herein as the reformulated lab prototype film.

In April 2023, the Company engaged Dunmore International Corp. ("Dunmore"), a US manufacturing company, to provide their R&D and engineering expertise to scale-up the Company's REPELWRAP™ film to create intermediate-sized prototype films for further testing. The reformulated prototype formulation was transferred to Dunmore to assess the scaled-up reformulated lab prototype film in their facility, which allowed Dunmore to then advance to the next phase of development that entailed conducting small pilot runs on their commercial manufacturing line to create intermediate sized films for further testing. The first pilot run confirmed automation of the reformulated lab prototype on their commercial manufacturing equipment. Pursuant to additional development stage agreements entered into, Dunmore has conducted additional pilot manufacturing runs to further optimize the manufacturing process and each has provided valuable information with regard to reducing manufacturing production time. Additional pilot runs may be performed. Upon successful completion of its optimization work and intermediate scale-up work with Dunmore, the Company intends to commence real-world environmental conditions testing to confirm that the films maintain their repelling properties under real world conditions, and once successfully completed, would engage a third-party manufacturer and move to the commercial scale-up phase to create a commercial product, which would be tested to ensure it meets the repelling, durability, and stability specifications. To-date, the Company has identified three real-world testing sites that it would conduct testing of REPELWRAP™ film with, subject to completion of the optimization work at Dunmore. Upon successful completion of both its real-world environmental testing and commercial scale-up testing the Company intends to commercialize this product in Canada using manufacturing and distributor partnerships to be entered into. (See "*R&D Project Update - Description of First Product Under Development - REPELWRAP™ Surface Coating Film*").

The Company plans to name its first product REPELWRAP™ film and believes REPELWRAP™ film will be the first product introduced to the Canadian market that repels pathogens. This differs from other currently available surface coating films which have antimicrobial properties (kill pathogens) on their surface that kills bacteria and viruses when they come in contact with the surface of these films.

Once fully developed, the Company intends to initially target REPELWRAP™ film towards healthcare settings (i.e., hospitals, long-term care, senior's residences, clinics) and high traffic public touchpoints (i.e., transportation, hospitality, stadiums/arenas/malls, restaurants, schools, business offices) prone to high levels of surface contamination. The Company expects to launch REPELWRAP™ film in the Canadian market at the end of 2024 or early 2025, conditional on achieving successful product scale-up and commercial manufacturing.

The Spray Licensed Technology is currently under development at McMaster, on behalf of the Company. McMaster's R&D efforts and results on the Spray Licensed Technology, as published in two journals to-date, have demonstrated it not only has repelling properties the same as REPELWRAP™ film, but has also demonstrated it kills residual pathogen contamination on its surface. Although this Spray Licensed Technology is still in the development stage, the Company believes a spray formulation will be important to control the spread of pathogens on surfaces that are prone to contamination, as a potential spray product could be easier to apply to many surfaces than a film. The Company and McMaster have developed a lab prototype spray-on film and have continued their work on optimizing the formulation which has involved streamlining the steps required to produce the nanoparticle suspension to work with an all-in-one suspension, which is anticipated to be easier to scale and apply, as well as provide optimal durability. On October 25, 2023 the Company signed a master services agreement ("MSA") and a first work order with the third party manufacturer, nanoComposix, LLC ("nanoComposix"), a Fortis Life Sciences company, who will be providing their nanoparticle engineering expertise to assess the intermediate scale-up of the spray formulation and conduct pilot runs in their facility to create larger scale batches of the spray-on film for testing under the first phase of work. Work pursuant to this first work order will commence once the optimized spray formulation has been completed with McMaster, which is still in progress. Upon successful completion of all intermediate scale-up work, the Company would proceed to real-world testing to confirm the spray-on nano-coating maintains its performance metrics. Once confirmed, the Company will move to commercial scale-up work, similar to what is required to commercialize REPELWRAP™ film. To-date, the Company has been collaborating with nanoComposix but has not yet finalized the formulation work with McMaster, commenced work under the first work order nor has it entered into a commercial manufacturing agreement. (See "*R&D Project Update – Description of Spray Licensed Technology Under Development*").

In addition, McMaster has conducted initial work, which has been published, demonstrating that using the Licensed Technology to coat plastics similar to those used in medical catheters significantly reduces adhesion of bacteria and blood on the nano-coated surface, which could potentially translate to reduced bacterial infections or blood clot

formation. The Company signed the Catheter Coating CRA with McMaster to conduct further R&D of a catheter nano-coating formulation, which work commenced in December 2023. As at the date of this MD&A, limited early-stage work has been conducted on this project. (See "*R&D Project Update - Description of Catheter Nano-Coating Formulation Under Development*").

The Company has not generated any revenues to-date from any product sales as its products and its projects are all in the research and/or development stage. The Company has also not completed intermediate or commercial scale-up work on any product under development nor entered into any manufacturing or distribution agreements.

HIGHLIGHTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024

Highlights during and subsequent to the period ended March 31, 2024 include:

- On May 29, 2024, the Company announced it will be collaborating with McMaster University to assess a new formulation of its spray nano-coating that uses AI and sensors to detect contamination on surfaces.

- On May 21, 2024, the Company announced an update on development of its spray nano-coating.

- On May 17, 2024, the Company issued 23,600 common shares pursuant to the exercise of 23,600 broker warrants at an exercise price of $0.30 per common share for proceeds of $7,080.

- On May 16, 2024, the Company announced a third real-world testing site at El Mocambo, a live music and entertainment venue located in Toronto, Ontario.

- On May 10, 2024, the Company announced its second real-world test site with Island View Place Care, a senior living and memory care facility located in Saanichton BC. The Company also announced it entered into an investor relations agreement with Spark Newswire.

- On May 8, 2024, the Company announced the third closing of its non-brokered private placement raising gross proceeds of $525,000 through the issuance of 2,625,000 units at a price of $0.20 per unit. Each unit is comprised of one common share and one transferable share purchase warrant. Each warrant is exercisable for one common share at a price of $0.40 per share for a period of three years after the closing date, subject to an acceleration right. In addition, the Company issued 202,000 finder units and 202,000 finder warrants to eligible finders.

- On May 3, 2024, the Company announced its first real-world test site with Giulietta restaurant, located in Toronto, Ontario.

- On April 23, 2024, the Company announced it entered into a development stage agreement with Dunmore to conduct another pilot manufacturing run. In addition, the Company announced it entered into investor relations agreements with each of Fairfax Partners Inc. and i2i Marketing Group.

- On April 19, 2024, the Company announced it renewed an investor relations agreement with IR Labs Inc.

- On April 16, 2024, the Company announced it entered into an investor relations agreement with Black Swan Solutions Inc. (dba VHLA Media).

- On April 8, 2024, the Company announced it issued 500,000 common shares to a creditor to settle $100,000 of advisory fees that were payable in common shares.

- On March 28, 2024, the Company announced it had successfully completed a fourth pilot run of its REPELWRAP™ film using Dunmore's commercial equipment which led to further optimization of the manufacturing time. In addition, the Company announced it entered into an investor relations agreement with MIC Market Information & Content Publishing GmbH.

- On March 25, 2024, the Company announced it completed a second closing of its non-brokered private placement raising gross proceeds of $975,000 through the issuance of 4,875,000 units at a price of $0.20 per unit and intention to further increase the size of the offering. Related parties subscribed for an aggregate of 200,000 units. Each unit is comprised of one common share and one transferable share purchase warrant. Each warrant is exercisable for one common share at a price of $0.40 per share for a period of three years after the closing date, subject to an acceleration right. In addition, the Company paid cash finder's fees of $32,400, issued 126,200 finder units and 288,200 finder warrants.

- On March 15, 2024, the Company announced that McMaster University submitted an application for a Natural Sciences and Engineering Council ("NSERC") Alliance grant with FendX as the industry sponsor, for the Company's spray nanotechnology under development.

- On March 13, 2024, the Company announced that it received aggregate proceeds of $785,000 pursuant to the exercise of an aggregate of 7,850,000 share purchase warrants at $0.10 per share and issued an aggregate of 7,850,000 common shares. The Company also announced it completed a share for debt settlement with a creditor to settle $112,500 of advisory fees through the issuance of 500,000 common shares.

- On February 29, 2024, the Company announced it entered into a market making agreement with Independent Trading Group (ITG), Inc.

- On February 27, 2024, the Company announced it entered into another development stage agreement with Dunmore to conduct a further pilot run of its REPELWRAP™ film using Dunmore's commercial equipment and continue with its optimization work.

- On February 13, 2024, the Company announced it had successfully completed a third pilot run of its REPELWRAP™ film using Dunmore's commercial equipment and further optimized the manufacturing process by reducing drying time.

- On February 8, 2024, the Company terminated the investor relations agreement with ARU Global Inc., which released the Company from the final payment obligation.

- On February 2, 2024, the Company announced it completed a first closing of a non-brokered private placement raising gross proceeds of $525,000 through the issuance of 2,625,000 units at a price of $0.20 per unit and the intention to increase the size of the offering. Each unit is comprised of one common share and one transferable share purchase warrant. Each warrant is exercisable for one common share at a price of $0.40 per share for a period of three years after the closing date, subject to an acceleration right. In addition, the Company paid cash finder's fees of $8,000, issued 170,000 finder units and 210,000 finder warrants.

- On January 24, 2024, the Company announced it entered into a third development stage agreement with Dunmore to conduct a third pilot run of its REPELWRAP™ film using Dunmore's commercial equipment and continue with its optimization work.

- On January 10, 2024, the Company announced it had successfully completed a second pilot run of its REPELWRAP™ film using Dunmore's commercial equipment and further optimized the manufacturing process which resulted in development of a one-pass coating process.

SELECTED FINANCIAL INFORMATION

The following table sets forth selected financial information for the three-month period ended March 31, 2024 and March 31, 2023. The selected financial information set out below has been derived from the Financial Statements and accompanying notes, in each case prepared in accordance with IFRS. The selected financial information set out below may not be indicative of the Company's future performance. The following discussion should be read in conjunction with the Financial Statements.

	Three months ended March 31, 2024 (unaudited)	Three months ended March 31, 2023 (unaudited)
Net loss for the period	$ (1,109,875)	$ (771,204)
Loss per share, basic and fully diluted	$ (0.02)	$ (0.02)

	As at March 31, 2024 (unaudited)	As at December 31, 2023 (audited)
Total assets	$ 2,150,641	$ 564,056
Total non-current liabilities	$ -	$ -
Working capital	$ 1,448,737	$ 43,191

DISCUSSION OF OPERATIONS

Overall Operations

The Company is focused on developing and commercializing REPELWRAP™ film and its other products under development, including its spray technology and catheter coating formulation. The Company was incorporated on July 28, 2020 and had limited operations in Fiscal 2020 which were mainly focussed on organizing the Company, strategic planning, branding, research of various third parties that it could use to assist with testing and scale-up work, and negotiating the License Agreement with McMaster. During the year ended December 31, 2021, the Company's activities primarily related to finalizing and entering into the License Agreement and CRA, research and testing-related activities with McMaster and consultants, establishing agreements with third parties related to testing and potential scale-up, financing activities, building its board and management team, and building corporate infrastructure. During the year ended December 31, 2022, the Company focussed on the continued R&D activities with McMaster, completing several financings including its subscription receipt ("Subscription Receipt") financing and preparing a prospectus filed January 31, 2023 (the "Prospectus"). On February 1, 2023, the Company was successful in obtaining a receipt for its Prospectus, thus satisfying the escrow release condition such that the gross proceeds of $4,001,400 from the Subscription Receipt financing were released to the Company. During 2023, the Company also achieved a listing of its common shares on the CSE and had its common shares listed on the OTCQB and FSE. During the year ended December 31, 2023, the Company continued its R&D activities with McMaster and began intermediate scale-up activities on its REPELWRAP™ film, entered into the Spray License Agreement, Spray CRA and Catheter Coating CRA with McMaster and conducted R&D on the spray formulation and initiated work on the catheter nano-coating project. The Company has not earned any revenues since incorporation. During the three months ended March 31, 2024, the Company continued its R&D and scale-up activities and engaged in financing activities.

On January 30, 2020, the World Health Organization ("WHO") declared the COVID-19 outbreak a global health emergency, on March 11, 2020, the WHO declared the outbreak a global pandemic. On May 4, 2023 the WHO downgraded the COVID-19 pandemic. As at the date of this MD&A, the COVID-19 pandemic has largely abated and did not have a material impact on the Company's operations. Although COVID-19 has abated, it did highlight the potential impact pandemics can have on the economy, and on society in general, and the Company believes that both its REPELWRAP™ film and its spray-on film technology may be timely products once developed as they are geared towards prevention of the spread of viruses and other pathogens.

As at March 31, 2024, the Company held $1,486,666 in cash and cash equivalents and had current liabilities of $701,904 and no long-term debt. As at March 31, 2024, the Company had working capital of $1,448,737 (December 31, 2023 –$43,191).

R&D Project Update

Description of First Product Under Development - *REPELWRAP™ Film*

The Company is researching and developing surface coatings using its Licensed Technology to protect against contamination of high touch surfaces. This technology works by combining a hierarchical wrinkled molecular structure with chemical functionalization to reduce pathogen adhesion and formation of bacterial colonies.

REPELWRAP™ film repels bacteria and viruses, protecting high-touch surfaces and reducing the risk of bacteria or virus transmission from that surface. REPELWRAP™ film is flexible and can be applied to many surface shapes. The Company believes this film, once developed could be the first commercial product that could effectively repel bacteria and viruses. The Company believes that current protective coatings in the marketplace (antimicrobial) require bacteria and viruses to adhere to these surfaces to be inactivated. Inactivation does not occur immediately or even within hours, leaving people at risk of being exposed to these contaminated surfaces before bacteria and viruses are killed.

The original lab prototype of REPELWRAP™ film has been shown to be broadly repellent to contamination and reduces the adhesion and proliferation of infective pathogens including drug-resistant bacteria and viruses (Imani S et al, ACS NANO, 2020, 14, 1, 454–465). It repels both high (e.g., water) and low surface tension (e.g., oil) liquids, and can be easily applied to surfaces that are prone to contamination. This technology is founded on hierarchically structured materials, materials that combine a range of structural features from the nanoscale to the macroscale, that are integrated into commercial plastics using solution-based surface coating and shrinking for the purpose of repelling pathogens from high touch surfaces. Its hierarchical structure results in a high surface tension which causes droplets to assume a spherical shape. This enables the contact area and the adhesion force between the surface and droplet to be significantly reduced.

The original lab prototype film was created through wrinkling (creating microstructures), self-assembly of nanoparticles (creating nanostructures) and their combination (hierarchically structured).

Key results of the repelling properties of the original lab prototype REPELWRAP™ film include:

- Reduced viral titer more than 99.99% of SARS-CoV-2 related strains compared with control surfaces (ACS Appl. Mater. Interfaces 2022, 14, 11068-11077);
- Significantly reduced transfer to human skin of Escherichia coli contaminated REPELWRAP™ film surfaces compared with control surfaces (ACS Appl. Mater. Interfaces 2022, 14, 11068-11077);
- Significantly reduced biofilm formation of methicillin-resistant Staphylococcus aureus by 87% and Pseudomonas aeruginosa 84% compared with control surfaces (ACS Nano. 2020 Jan 28, 14 (1) 454-465):
- Self-cleaning surface demonstrated from high repel rates of blood vs. control surfaces (ACS Nano. 2020 Jan 28, 14 (1) 454-465);
- Maintains robust repellent properties after being subjected to various physical/mechanical forces (i.e., vacuum & sonication) and chemicals (i.e., ethanol, bleach) (ACS Nano. 2020 Jan 28, 14 (1) 454-465); and
- Holds repellent properties under strain and while conforming to different form factors (bent or unbent) (ACS Nano. 2020 Jan 28, 14 (1) 454-465).

After commencing research pursuant to the CRA, the Company's work on assessing scalability led to the recommendation in early 2022 to reformulate the original lab prototype film to facilitate the potential for a more streamlined scale-up process. Under the direction of the Company, McMaster began reformulating the original lab prototype in March 2022 which has led to development of the reformulated lab prototype. This reformulated prototype has been lab tested at McMaster under the Company's direction to confirm its repelling, durability and stability properties are similar to the original lab prototype film and McMaster has successfully completed the scalability assessment.

The Company engaged Dunmore on April 11, 2023, to provide their R&D and engineering expertise to assess and scale-up the Company's REPELWRAP™ film to create intermediate-sized prototype films for further testing. The Company transferred the reformulated lab prototype formulation from McMaster to Dunmore in early May 2023 and after confirming the reformulated lab prototype formulation was suitable for scale-up, began conducting pilot runs to produce larger sized versions of REPELWRAP™ film on their commercial manufacturing line. The first phase of their work was conducted in their lab and involved the creation of a manufacturing process of the reformulated lab prototype formulation adapted to their commercial manufacturing line. Film prototypes created from this process were tested by McMaster and confirmed to have repelling, stability and durability specifications consistent with the reformulated lab prototype film. On June 22, 2023, the Company announced that Dunmore had successfully completed the first phase of the scale-up work to adapt the optimized reformulated lab prototype film to their manufacturing production processes. These positive phase one findings allowed Dunmore to advance to the next phase of development which entailed conducting pilot runs on their commercial manufacturing line to produce intermediate-sized films. The first pilot run confirmed that the reformulated lab prototype formulation was suitable for automation on Dunmore's commercial manufacturing line and that the film produced had the same repelling properties as the reformulated lab prototype film, which was announced by the Company on October 3, 2023. The first pilot run allowed the Company to advance to further refinement of the film formulation and optimize the manufacturing process through conducting additional pilot runs. Four additional pilot runs have been conducted to the date of this MD&A, and the results of each run provided valuable information with regard to reducing manufacturing process time. Throughout the scale-up work being conducted by Dunmore, McMaster continues to support any formulation optimization requirements and conduct all testing of films created by Dunmore. Upon successful completion of this scale-up work and final formulization, the next phase will be to perform real world conditions testing to confirm the films maintain their repelling properties and once successfully completed, engage a third-party manufacturer to produce commercially scaled films. These commercially scaled films would undergo similar testing as described for the intermediate size films by an independent testing facility. Upon successful completion of producing commercially scaled films and their testing, the Company intends to commercialize REPELWRAP™ film through distributor and licensing partnerships. As of the date of this MD&A, the Company continues its intermediate scale-up work with Dunmore to continue to optimize the manufacturing process and anticipates a further pilot run will be conducted. To-date, the Company has identified three test sites that would be used for real-world testing of REPELWRAP™ film, and the Company anticipates engaging additional test sites in a variety of industries. Real-world testing is anticipated to commence in Q2 2024, upon successful completion of scale-up work at Dunmore. The Company has not entered into any manufacturing agreements for commercial manufacturing nor any distribution or licensing agreements as at the date of this MD&A. Assuming successful intermediate and commercial scale-up, which includes creating an automated manufacturing process, the Company expects REPELWRAP™ film to be its first-to-market product. (See "*Risk Factors*").

The Company expects to launch REPELWRAP™ film in the Canadian market at the end of 2024/early 2025, conditional on achieving successful final product reformulation, testing, product scale-up, entering into a commercial manufacturing and entering into distribution and licensing agreements. (See "*Risk Factors*").

During the work performed under the CRA, namely during the reformulation process of the original lab prototype as discussed above, an early-stage formulation was identified that both repels pathogens and kills any residual pathogens that adhere to the surface. The Company, through McMaster, conducted limited R&D on this potential application. The Company announced on November 29, 2023 that published results of work performed showed that by combining photoactive nanoparticles and fluorosilane resulted in a film surface that can both repel and kill showing the reduction in adhesion of bacteria by approximately 99.8% and killing of residual bacteria by at least 99.6% after one hour of light exposure. The Company's current focus is to concentrate its resources to further development of only REPELWRAP™ film, the catheter nano-coating project and the Spray Licensed Technology at this time.

Description of Spray Licensed Technology Under Development

The Spray Licensed Technology is currently under development at McMaster pursuant to the Spray CRA and has demonstrated not only repelling properties the same as REPELWRAP™ film, but has also demonstrated it kills residual pathogen contamination. This bifunctional coating relies on wrinkled polydimethylsiloxane microparticles, decorated with biocidal gold nanoparticles to induce the repel and kill properties against pathogens. Pathogen repellency is provided by the structural hierarchy of the microparticles and their surface chemistry, whereas the kill mechanism is achieved using functionalized gold nanoparticles embedded on the microparticles.

McMaster lab testing has shown a reduction in adhesion of 99.99% for methylene-resistant Staphylococcus aureus ("MRSA") and 99.96% for covid-19 related virus, Phi6, compared with controls. Plastic gloves sprayed with the nanotechnology showed a significant reduction ($p<0.0001$) in the transfer of Phi6 and MRSA after only two touches compared to uncoated gloves which continued to transfer MRSA and Phi6 after 50 touches. Killing activity was measured by the reduction in colony forming units on coated surfaces compared with noncoated surfaces and results showed a 99.98% reduction in the number of MRSA and Pseudomonas aeruginosa colony forming units on nano-coated surfaces. These results were published in two peer-reviewed journals: Jarad, N. A. et al, Small, "An Omniphobic Spray Coating Created from Hierarchical Structures Prevents the Contamination of High-Touch Surfaces with Pathogens", 2022, 2205761 (1-11) and Jarad, N.A. et al, ACS Applied Materials and Interfaces, "A Bifunctional Spray Coating Reduces Contamination on Surfaces by Repelling and Killing Pathogens", 2023, 15, 16253-16265.

The Company and McMaster are in the formulation phase of development and have been optimizing the formulation which has involved streamlining the steps required to produce the nanoparticle suspension to work with an all-in-one suspension, which is anticipated to be easier to scale and apply, as well as provide optimal durability. On October 25, 2023 the Company signed a master services agreement and a first work order with nanoComposix, who will be providing their nanoparticle engineering expertise to assess the scale-up of the spray formulation and conduct pilot runs in their facility to create larger scale batches of the spray-on film for testing under the first work order. To-date, the Company has been collaborating with nanoComposix but have not yet commenced intermediate scale-up work with nanoComposix pursuant to the first work order, nor entered into a commercial manufacturing agreement. Upon successful completion of all intermediate scale-up work, the Company would proceed to commercial scale-up work, similar to what is required to commercialize the REPELWRAP™ film. (See "*Risk Factors*").

Description of Catheter Nano-Coating Under Development

The Company and McMaster also identified other potential uses for the Licensed Technology and McMaster had conducted early-stage research to assess if the Licensed Technology film formulation could be used to coat medical catheters. Effective December 1, 2023, the Company and McMaster entered into the Catheter Coating CRA which sets out R&D work to assess various coating formulations for the protection of medical catheters from occlusion due to blood clot or bacterial biofilm formation.

McMaster lab testing involved using the Licensed Technology to coat plastics similar to those used in medical catheters and tested them with bacteria and blood to assess their ability to suppress bacterial biofilm formation and blood clotting. These lab tests showed 96.5% reduction in bacterial adhesion and 95.8% reduction in fibrin networks, a precursor of blood clots. These results were published in a peer-reviewed journal: Khan, S. et al, Small, "Transparent and Highly Flexible Hierarchically Structured Polydimethylsiloxane Surfaces Suppress Bacterial Attachment and Thrombosis Under Static and Dynamic Conditions", 2022, 18, 2108112 (1-12).

As of the date of this MD&A, only preliminary work has been conducted by McMaster which is at an early research stage. (See "*Risk Factors*").

R&D Project Objectives

The Company's R&D project objectives are to develop products leading to commercialization, using the Licensed Technology and Spray Licensed Technology, with research and development work spanning four main categories including:

a) formulation assessment, development and testing of lab prototypes at McMaster;
b) scalability assessments and testing of lab prototypes at McMaster;
c) intermediate scale-up with third-party manufacturer and testing at McMaster; and
d) commercial scale-up with third-party manufacturer and testing with a third-party testing lab.

The chart below represents the Company's research and development status for its R&D projects pipeline as of the date of this MD&A:

R&D Project Objectives	Project Plan Status and Achievements	Estimated Timing and Cost to Complete
Development of REPELWRAP™ film	Lab prototype optimization, repelling and pathogen testing of various film iterations, and scalability assessments completed at McMaster.	Completed
	Continue optimization of REPELWRAP™ film formulation in support of intermediate scale-up work being conducted at Dunmore and conduct repelling and pathogen testing of films created by Dunmore.	Ongoing improvements estimated to continue through Q2 2024. Estimated remaining costs up to $75,000 depending on research and development and scale-up testing.
	Engaged Dunmore to provide intermediate scale-up engineering work to optimize the process. (phase one work with Dunmore).	Completed.
	Conduct pilot runs with Dunmore. Five completed to the date of this MD&A. (phase two work with Dunmore).	Estimated completion date of intermediate scale-up work is Q2 2024 at estimated remaining cost of approximately $11,000.
	Commence real-world conditions testing.	Estimated completion date Q3 2024 at an estimated cost of approximately $10,000.
Development of REPELWRAP™ spray nano-coating	Formulation assessment, reformulation, development, scalability assessment and testing at McMaster in progress.	Ongoing with estimated completion in Q3 2024 at an estimated remaining cost of $84,000.
	Commence intermediate scale-up to larger batch sizes for testing. MSA entered into with nanoComposix for assessment and intermediate scale-up work.	Estimated completion of collaboration/assessment stage is Q4 2024 at an estimated cost of $60,000. Intermediate scale-up work not yet commenced and is dependent on completion of collaboration stage.
Development of coating formulation for catheters	Early stage research undertaken only. In formulation phase of development.	Formulation work ongoing with anticipated completion in Q3 2024 at an estimated cost of $75,000.

The Company intends to advance the Licensed Technology to develop films and a catheter nano-coating for commercialization as well as develop the Spray Licensed Technology to develop a spray for commercialization, however, there can be no certainty that the R&D initiatives will result in successful prototypes or scale-up activities will result in successful commercial products nor can the Company provide certainty as to the time and costs that will be involved to achieve such objectives. The Company is reliant on McMaster to conduct research and development of the Licensed Technology to advance REPELWRAP™ film and the catheter nano-coating, and perform R&D of the Spray Licensed Technology, and the Company will be reliant on third-party manufacturers to conduct scale-up activities for commercialization.

The Company cannot at this time accurately estimate the cost of bringing the Company's products to market as much of the associated costs depend on various factors such as costs to complete R&D work with McMaster, if the funding pursuant to the CRA, Spray CRA and Catheter Coating CRA will be sufficient to fund development milestones for the Licensed Technology and Spray Licensed Technology, development initiatives that result from continuing R&D

work, such as reformulation, testing and optimization work, the cost of scale-up activities with a future manufacturing partner, commercial manufacturing partnership financial terms and distributor agreement terms, among other factors. Further, there is no assurance that the aforementioned timelines will be met or that its project or any objective will advance to an intermediate prototype or commercial product at all. As of the date of this MD&A, the Company has not entered into any commercial manufacturing or distribution agreements and there is no certainty the Company will be able to enter into any such agreements on terms acceptable to the Company or at all, for any of its product candidates under development. See "*Risk Factors*".

Analysis of Q1 2024 results compared to Q1 2023

For the three months ended March 31, 2024

The Company recorded a net loss of $1,109,875 for the three-month period ended March 31, 2024 ("Q1 2024") compared to a net loss of $771,204 for the three-month period ended March 31, 2023 ("Q1 2023"). During the first three months of 2024, the Company continued its R&D activities with McMaster, continued its intermediate scale-up work on REPELWRAP™ film with Dunmore and performed financing activities including the completion of two closings of a private placement. Operations in Q1 2023 were mainly focussed on R&D activities with McMaster pursuant to the License Agreement and CRA, filing of the Prospectus and achieving a public listing on the CSE. The increase in net loss for Q1 2024 compared to Q1 2023 was mainly due to increased operations as described above. The Company did not earn any revenues other than interest and other income in either 2024 or 2023.

Below is a review of expense categories and variances which contributed to the increase in net loss for Q1 2024 compared to Q1 2023:

- The Company incurred consulting fees of $286,265 for Q1 2024 (Q1 2023 – $114,038). Consulting fees include general corporate, business development, financial advisory and administrative support and increased in Q1 2024 due to the higher use of financial advisory and business development consultants in Q1 2024 compared to Q1 2023.

- The Company incurred directors' fees of $13,750 for Q1 2024 (Q1 2023 – $12,959).

- General and administrative expenses were $32,041 for Q1 2024 (Q1 2023 – $16,084). G&A includes travel related expenses, meals and general office expenses which included accounting, insurance, bank fees, depreciation and other miscellaneous costs. In Q1 2024 travel and insurance increased over the comparable period due to additional travel incurred after the Company achieved its public listing and the addition of expenses related to D&O insurance.

- The Company incurred investor relations expenses of $207,054 for Q1 2024 (Q1 2023 – $7,817) as the Company continued to build Company awareness through the use of investor relations service providers. Investor relations expense also includes marketing making services, news dissemination services and conference attendance which commenced in March 2023 when the Company achieved a public listing on the CSE.

- Management fees remained consistent with comparative period at $178,560 in Q1 2024 (Q1 2023 – $171,750) for fees charged by senior management including the CEO, CFO and COO.

- Marketing expenses increased to $61,728 in Q1 2024 (Q1 2023 – $38,466) and reflected higher marketing and brand development expenses and market research expenses incurred since the Company completed its going public transaction and listed its common shares for trading on the CSE in March 2023.

- The Company incurred professional fees of $81,369 in Q1 2024 (Q1 2023 – $120,800). Professional fees consist of: $12,000 for audit and fees (Q1 2023 – $19,750); $41,712 for general and corporate related legal fees (Q1 2023 - $80,622); and intellectual property and other legal fees of $27,657 (Q1 2023 - $20,428). Audit fees and general and corporate legal fees were primarily lower in Q1 2024 compared to Q1 2023 due to costs related to the preparation of the Company's Prospectus filed on January 31, 2023 and public listing on the CSE in March 2023. Intellectual property and other legal fees were consistent and related to patent

applications, operational contract reviews and reimbursements to McMaster for patent applications and filings.

- The Company incurred research and development ("R&D") expenses of $152,966 in Q1 2024 (Q1 2023 – $59,852). R&D expenses in Q1 2024 were comprised of $120,263 (Q1 2023 - $54,852) for research and development and related costs incurred with McMaster pursuant to the CRA, Spray CRA and Catheter Coating CRA, $22,703 (Q1 2023 - $nil) for scale-up work related to REPELWRAP™ film which started in April 2023 and the annual royalty fee paid pursuant to the License Agreement of $10,000 in Q1 2024 (Q1 2023 - $5,000).

- The Company incurred salary and benefits expenses of $30,144 in Q1 2024 (Q1 2023 – $33,440).

- The Company incurred share-based payment expenses of $19,654 in Q1 2024 (Q1 2023 – $185,516) which related to options and/or RSUs granted.

- The Company incurred $11,189 in Q1 2024 (Q1 2023 – $16,622) in transfer agent, listing and filing fees. Higher expenses in Q1 2023 are attributable to the Company's Prospectus filing, Subscription Receipt escrow release and public listing on the CSE.

- The Company recorded other income including interest income of $2,903 in Q1 2024 (Q1 2023 – $7,847), recognized a foreign exchange loss of $558 in in Q1 2024 (Q1 2023 – $1,727) and a loss on debt settlement of $37,500 (Q1 2023 - $nil) related to the issuance of 500,000 shares to settle $112,500 of debt during the period.

QUARTERLY FINANCIAL INFORMATION

The following selected financial data has been prepared in accordance with IFRS and should be read in conjunction with the Company's financial statements. All dollar amounts are in Canadian dollars.

	Quarter Ended	Revenue	Net Loss (unaudited)	Net loss per share (Basic and diluted)	Weighted average number of shares
Q1/24	March 31, 2024	$ -	$ 1,109,875	$ (0.02)	57,744,820
Q4/23	December 31, 2023	$ -	$ 1,213,420	$ (0.02)	53,045,324
Q3/23	September 30, 2023	$ -	$ 812,699	$ (0.01)	52,278,842
Q2/23	June 30, 2023	$ -	$ 865,890	$ (0.02)	51,996,420
Q1/23	March 31, 2023	$ -	$ 771,204	$ (0.02)	47,109,252
Q4/22	December 31, 2022	$ -	$ 473,271	$ (0.01)	37,297,295
Q3/22	September 30, 2022	$ -	$ 511,762	$ (0.01)	37,215,773
Q2/22	June 30, 2022	$ -	$ 428,208	$ (0.01)	36,973,465

Variations in the Company's net losses and expenses as well as notable trends for the previous eight quarters were typical of an early-stage company. Spending on consulting, management expenses, salaries, general and administration, professional fees, investor relations, marketing and research and development are expected to increase over the next year relative to historical spending due to the expected increased operations of the Company.

During Fiscal 2022, the Company focussed on its R&D initiatives with McMaster, raising additional financing, including $4,001,400 pursuant to the Subscription Receipt financing, filing of additional patent applications through McMaster, and the preparation of the Prospectus. In Q1 2023, the Company obtained a receipt for its Prospectus, listed its shares on the CSE and continued with its R&D initiatives. In Q2 2023 the Company listed its shares on the OTCQB and FSE, began scale-up activities with Dunmore, entered into the Spray License Agreement and several investor relations agreements, negotiated the Spray CRA and continued its R&D initiatives. In Q3 2023, the Company furthered its scale-up activities with Dunmore, entered into the Spray CRA and conducted R&D on the film and spray-on film technologies. In Q4 2023, the Company filed a base shelf prospectus, continued its R&D work including starting work on the catheter coating formulation pursuant to the Catheter Coating CRA and continued scale-up work on its

REPELWRAP™ film. In Q1 2024, the Company continued its R&D and scale-up work and completed two tranches of a private placement financing.

USE OF PROCEEDS

The following is a tabular comparison of the use of available funds disclosed for the private placement transactions completed in Q1 2024 and the estimated use of such funds by the Company.

The following table summarizes the amount of gross proceeds the Company raised from previous financings, the disclosure the Company previously made regarding its anticipated use of proceeds from each financing, how the Company actually used the proceeds of the respective financing, and the Company's explanation for any variances and impact on the Company's ability to achieve its objectives and milestones.

Previous Financing	Gross Proceeds	Disclosure by the Company regarding Anticipated Use of Net Proceeds	How the Net Proceeds were Actually Used (Amounts approximate)	Any Variances and Impact on Company's Ability to Achieve its Objectives and Milestones
First and Second Tranches of private placement, closed February 2, 2024 and March 25, 2024, respectively	$525,000 (First tranche) $975,000 (Second tranche)	Advance scale-up activities on REPELWRAP™ film and R&D on spray technology, and general corporate purposes, including investor relations.	First Tranche: $525,000 used on: scale-up of REPELWRAP™ film, research and development related to spray technology, and general corporate purposes including investor relations. Second Tranche: No proceeds used to March 31, 2024	No

LIQUIDITY AND CAPITAL RESOURCES

Since inception the Company has devoted its resources to securing intellectual property rights related to the Licensed Technology and Spray Licensed Technology, furthering its research and development through McMaster, establishing personnel and processes required to execute its business plan and obtain a public listing. This has resulted in an accumulated deficit of $8,132,234 as at March 31, 2024. With no income from operations, losses are expected to continue while the Company's R&D programs are advanced.

The Company does not earn any revenues from its operations and is considered to be in the development stage. As required, the Company will continue to finance its operations through the sale of equity or pursue non-dilutive funding sources available to the Company in the future. The continuation of its research and development activities and the commercialization of REPELWRAP™ film and other products under development, including its spray technology, is dependent upon the Company's ability to successfully finance and complete its research and development program and successfully complete the scale-up and commercialization of REPELWRAP™ film and/or its other products under development. As of the date of this MD&A the Company is not capable of sustaining its working capital requirements over the long term without additional capital, product commercialization or ultimately the sale of products. In order to reach sustainable business operations, the Company will need to complete development and scale-up of REPELWRAP™ film and achieve other commercialization milestones which include engagement of a third-party manufacturer and entering into distribution agreements for REPELWRAP™ film.

As at March 31, 2024, the Company had working capital of $1,448,737 compared to working capital of $43,191 as of December 31, 2023. The Company has relied upon equity financings to finance its operations and meet its capital requirements. The Company manages the capital structure and may make adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The issuance of additional common shares by the Company could result in significant dilution in the equity interest of existing shareholders. There can be no assurance that the Company will be able to obtain sufficient financing to meet future operational needs which may result in the delay, reduction or discontinuation of ongoing development programs.

The Company's objectives when managing its liquidity and capital resources is to maintain a sufficient capital base to sustain and grow its overall operations, ensure adequate capital to meet its obligations under the CRA, the Catheter Coating CRA, the Spray CRA, the License Agreement and Spray License Agreement, and provide adequate capital to fund future development of the business. The Company faces numerous risks and uncertainties, many of which are beyond its control, related to the development, scale-up and commercialization of its products including but not limited to timing delays, costs overruns, lack of success with its development initiatives and inability to enter into relationships with manufacturing and/or distribution partners (see "*Risk Factors*").

Summary of cash flows

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	Change
Cash used in operating activities	$ (1,024,725)	$ (1,294,835)	$ 270,110
Cash provided by financing activities	2,244,600	3,863,648	(1,619,048)
Net increase in cash	$ 1,219,875	$ 2,568,813	$ (1,348,938)

Cash used in operating activities is comprised of net loss, add-back of non-cash expenses, and net change in non-cash working capital items. Cash used in operating activities decreased to $1,024,725 for the three months ended March 31, 2024 from $1,294,835 for the three months ended March 31, 2023. This decrease is primarily due to an increase in its accounts payable and accrued liabilities balances offset by a decrease in prepaid expenses and increase in net loss during the three months ended March 31,2024.

Cash provided by financing activities decreased to $2,244,600 for the three months ended March 31, 2024 compared to $3,863,648 for the three months ended March 31, 2023. In Q1 2024, the Company completed two closings of its non-brokered private placement raising gross proceeds of $1,500,000, incurred $40,400 for cash finders fees and received $785,000 from warrant exercises. In Q1 2023, the Company received $4,001,400 upon satisfaction of the escrow release condition related to proceeds held in escrow pursuant to the Subscription Receipt financing and incurred $112,752 in share issuance costs related thereto and repaid $25,000 in loans.

The Company funded operations during the three months ended March 31, 2024 and March 31, 2023 through the net proceeds of securities issued and the use of existing cash. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and its success with its research and development initiatives, scale-up and product commercialization. Additional financing may not be available on terms favourable to the Company or at all. If the Company does not receive future financing, it may not be possible for the Company to advance its business plans. The Company does not expect to generate positive cash flow from operations for the foreseeable future due to additional R&D expenses, scale-up and testing expenses and operating expenses associated with supporting these activities. It is expected that negative cash flow from operations will continue until such time, if ever, that the Company commercializes any of its products under development and achieves sales from any such products should they exceed its expenses.

COMMITMENTS

McMaster University

The Company entered into the License Agreement with McMaster for the Licensed Technology. Pursuant to the License Agreement, the Company agreed to the following key terms:

- the issuance to McMaster of common shares equal to 5% of its fully diluted share capital on achievement of certain funding thresholds, whereby 1,435,000 common shares were issued at a deemed price of $0.05 per share for fair value of $71,750 in Fiscal 2021 to satisfy this term;
- payment of a 4% royalty on net sales to be paid quarterly within 60 days following the close of the calendar quarter (as defined in the License Agreement);
- a minimum annual royalty commencing in the first 12-month period ending on the anniversary of the date of the License Agreement as to $5,000 in the first and second years, $10,000 in the third and fourth years and $20,000 in the fifth and subsequent years; and
- contribute funding toward sponsored research projects. Pursuant to the License Agreement, an aggregate of $650,000 is to be paid toward sponsored research projects, of which: a) in year one, an aggregate of $350,000 was required for funding the sponsored research project; b) in year two and year three, the Company is to contribute a minimum of $150,000 each year to a sponsored research project to further develop the Licensed Technology, provided the research aims are approved by the Company. As at the date of this MD&A, the Company has paid all of the year 1 and year 2 research contribution and $112,500 of the year 3 research contribution. (see detailed payment terms detailed below).

The Company entered into the CRA with McMaster dated effective August 1, 2021, as amended April 11, 2023 with an effective date of January 1, 2023, which sets out the payment terms upon receipt of invoices from McMaster for the research project to satisfy the research funding obligations under the License Agreement as noted above. The term of the CRA is three years from the effective date unless extended or terminated in accordance with the provisions of the CRA, as further detailed below. McMaster will invoice the Company as follows:

Proposed Invoice Date	**Amount**
November 24, 2021 (paid)	$175,000
August 25, 2022 (paid)	$87,500
January 1, 2023 (paid)	$87,500
March 1, 2023 (paid)	$75,000
May 1, 2023 (paid)	$37,500
July 1, 2023 (paid)	$37,500
September 1, 2023 (paid)	$75,000
January 1, 2024 (paid)	$37,500
May 1, 2024 (invoice received)	$37,500

The Company entered into the Spray License Agreement dated May 16, 2023, as amended July 20, 2023, with McMaster for the Spray Licensed Technology. Pursuant to the Spray License Agreement, the Company agreed to the following key terms:

- payment of a 4% royalty on net sales to be paid quarterly within 60 days following the close of the calendar quarter (as defined in the Spray License Agreement); and
- maximum funding to support the development and further research on the Spray Licensed Technology of $85,169 for 2023 and $168,468 for 2024. (see detailed Spray CRA payment terms detailed below)

The Company entered into the Spray CRA dated July 20, 2023, with an effective date of July 1, 2023, with McMaster which sets out the maximum payment terms upon receipt of invoices from McMaster for the research project to satisfy the research funding obligations under the Spray License Agreement. The Spray CRA has a term of 18 months from

the effective date unless extended or terminated in accordance with the provisions of the Spray CRA. McMaster will invoice the Company as follows:

Proposed Invoice Date	Maximum Amount
On signing (paid)	$28,389.67
October 15, 2023 (paid)	$28,389.67
December 31, 2023 (paid)	$28,389.67
March 31, 2024 (invoice received)	$42,116.90
June 30, 2024	$42,116.90
September 30, 2024	$42,116.90
December 31, 2024	$42,116.90

The Company entered into the Catheter Coating CRA dated December 12, 2023, with an effective date of December 1, 2023, with McMaster which sets out the maximum payment terms upon receipt of invoices from McMaster for the research project to satisfy the research funding obligations related to research and development activities for the catheter coating project. The term of the Catheter Coating CRA is for two years from the effective date unless extended or terminated in accordance with the provisions of the Catheter Coating CRA. McMaster will invoice the Company as follows:

Proposed Invoice Date	Maximum Amount
On signing (paid)	$37,637.00
February 1, 2024 (paid)	$37,637.00
May 1, 2024	$37,637.00
August 1, 2024	$37,637.00
November 1, 2024	$37,637.00
February 1, 2025	$37,637.00
May 1, 2025	$37,637.00
August 1, 2025	$37,637.00

NSERC Grant

On May 9, 2022, NSERC provided McMaster and Dr. Leyla Soleymani, one of the Lead Researchers, with notice of approval for an Alliance Grant of $361,520 over two years, for the Company's project entitled "Developing a pathogen repellant wrap-improving performance and manufacturing throughput and evaluating real-world potential" with the Company as the sponsor (the "NSERC Grant"). The NSERC Grant is payable to the Lead Researcher at McMaster as the applicant. The Company, as the sponsor, does not receive any funding from this NSERC Grant, however, as sponsor, is to make cash contributions of $93,500 for each of the two years and contribute in-kind contributions totaling $206,400 over two years. The Company's cash contributions will be satisfied by the Company's payments pursuant to the CRA (see above) and its in-kind contributions will be satisfied by time spent by its senior management and employees related to the project. The Company is not responsible for any of the third-party contribution requirements.

OUTSTANDING SHARE CAPITAL

Common Shares

As of the date of this MD&A, the Company had authorized an unlimited number of common shares without par value.

Common Shares issued and outstanding, and other securities convertible into common shares are summarized in the following table:

	Number Outstanding as of May 30, 2024	Number Outstanding as of December 31, 2023
Common Shares issued and outstanding	72,781,693	53,284,893
Options	2,741,667	2,741,667
Warrants	17,292,200	14,619,000
Broker warrants	1,662,120	993,520

Warrants

A summary of the Company's issued and outstanding warrants at the date of this MD&A is as follows:

Expiry Date	Exercise Price	Number Outstanding
February 1, 2025	$ 0.50	6,669,000
February 2, 2027	$ 0.40	2,795,000
March 25, 2027	$ 0.40	5,001,200
May 8, 2027	$ 0.40	2,827,000
		17,292,200

A summary of the Company's issued and outstanding broker warrants at the date of this MD&A is as follows:

Expiry Date	Exercise Price	Number Outstanding
February 1, 2025	$ 0.30	961,920
February 2, 2027	$ 0.20	210,000
March 25, 2027	$ 0.20	288,200
May 8, 2027	$ 0.20	202,000
		1,685,720

Options

A summary of the Company's options outstanding at the date of this MD&A is as follows:

Expiry Date	Exercise Price	Options Outstanding	Options Exercisable
April 22, 2027	$ 0.15	991,667	991,667
December 24, 2027	$ 0.30	300,000	200,000
January 24, 2028	$ 0.30	1,450,000	966,665
		2,741,667	2,158,332

Restricted Share Units

As at the date of this MD&A, the Company has nil restricted share units ("RSUs") outstanding (December 31, 2023 – nil). On January 24, 2023, the Company granted 150,000 RSUs to an officer which vested on May 24, 2023.

Bonus Shares

As at the date of this MD&A, the Company has reserved for issuance 4,150,000 common shares, issuable upon achievement of certain milestones related to the Licensed Technology as set out in bonus share agreements entered into with each of Dr. Didar and Dr. Soleymani (the "Bonus Share Agreements"). Pursuant to the Bonus Share Agreements, each of Dr. Didar and Dr. Soleymani may be entitled to receive up to 2,075,000 common shares (the "Bonus Shares") should certain milestones related to the development of the Licensed Technology be achieved. As at the date of this MD&A, no milestones have been achieved and no Bonus Shares have been issued.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no undisclosed off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of its operations, financial condition, revenue or expenses, liquidity, capital expenditures or capital resources that is material to investors.

RELATED PARTY DISCLOSURE

Related parties of the Company include key management personnel, companies controlled by key management personnel and close family members of key management personnel. Key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any directors (whether executive or otherwise) of the Company. Key management personnel are composed of the board of directors and executive leadership team.

The following fees and expenses were incurred with related parties including current and former key management personnel:

	Three months ended March 31, 2024	Three months ended March 31, 2023
	$	$
Directors' fees [(1),(2),(7)]	13,750	12,959
Management fees [(3),(4),(5),(6),(7)]	178,560	171,750
Share based payment [(6)]	15,235	151,206
Total	207,545	335,915

Notes:

(1) Both Mr. Randall and Mr. Soulard were appointed to the Company's board of directors on January 4, 2023 and entered director services agreements. During the three-month period ended March 31, 2024, Stephen Randall incurred director fees of $7,500 (Q1 2023 - $7,069) and Pierre Soulard incurred directors fees of $6,250 (Q1 2023 - $5,890). An aggregate of $nil in outstanding directors' fees for Messrs. Randall and Soulard was included in accounts payable and accrued liabilities as at March 31, 2024 (December 31, 2023 - $13,863). During Q1 2024, Mr. Randall acquired 25,000 units at $0.20 per unit pursuant to a private placement.

(2) BioEnsemble LLC. ("BioEnsemble"), a company controlled by Dr. Carolyn Myers, the Company's Chief Executive Officer ("CEO"), charges CEO management consulting fees at a monthly fee of $20,000 starting January 1, 2022 pursuant to an executive consulting agreement which also includes discretionary bonus, termination and 12 month change of control provisions. During the three-month period ended March 31, 2024, BioEnsemble earned $60,000 (Q1 2023- $60,000) in management consulting fees. As at March 31, 2024, fees of $20,000 were owing to BioEnsemble and $2,700 was owing to the CEO for expenses. As at December 31, 2023, consulting fees of $60,000 were owing to BioEnsemble and $5,223 was owing to the CEO for expenses. During Q1 2024, Dr. Myers acquired 125,000 units at $0.20 per unit pursuant to a private placement.

(3) Effective May 17, 2021, the Company engaged Andrea Mulder as COO pursuant to an employment contract with the Company which includes bonus, termination and 6 months change of control provisions. The COO was compensated at an annual rate of $165,000 payable semi-monthly in arrears with a discretionary year-end bonus payable of up to 20%. During the three-month period ended March 31, 2024, the COO earned an aggregate of $35,310 (Q1 2023 - $41,250 in salary and bonuses. As at March 31, 2024, a bonus amount of $33,000 was owing to the COO (December 31, 2023 - $38,940 for vacation pay and bonus payable).

(4) Effective February 17, 2022, the Company entered into a consulting agreement, as amended, with RCF Advisors Ltd. ("RCF"), a company controlled by Rose Zanic, the Company's CFO, and Rose Zanic to provide part-time

CFO services to the Company at a rate of $250 per hour plus applicable taxes subject to a minimum monthly fee of $7,000. The agreement also includes discretionary bonus and termination provisions. During the three-month period ended March 31, 2024, RCF earned an aggregate of $83,250 in management consulting fees and bonuses (Q1 2023 - $70,500). As at March 31, 2024, $52,500 was owing to RCF (December 31, 2023 - $7,350). During Q1 2024, Ms. Zanic acquired 50,000 units at $0.20 per unit pursuant to a private placement.

(5) On January 24, 2023, the Company issued an aggregate of 1,450,000 share purchase options to certain directors, officers, employees and consultants with an exercise price of $0.30 per share with an expiry date of five (5) years from the date of grant and granted 150,000 restricted share units ("RSUs") to an officer which vested May 24, 2023. The share purchase options are subject to standard vesting provisions of 1/3 vesting on the date of grant and 1/3 vesting on the date that is 12 months and 24 months from the date of grant, such that all share purchase options fully vest 24 months from the date of grant. During the three-month period ended March 31, 2024, share based payments related to options and/or RSUs granted to the key management personnel amounted to $15,235 (Q1 2023 - $151,206).

(6) All amounts incurred by key management personnel.

Included in accounts payable and accrued liabilities at March 31, 2024, were amounts totaling $108,200 (December 31, 2023 - $125,376) due to related parties.

SEGMENTED INFORMATION

The Company operates in one reportable segment, involving the research and development of its Licensed Technology and Spray Licensed Technology. All the Company's assets are located in Canada.

TRENDS

The Company's business is not cyclical or seasonal.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value

The Company's financial instruments at March 31, 2024 include cash and cash equivalents and accounts payable. The fair values of these instruments approximate their carrying values due to their short-term nature.

IFRS 13 *Fair Value Measurement* establishes a fair value hierarchy for financial instruments measured at fair value that reflects the significance of inputs used in making fair value measurements as follows:

Level 1 - quoted prices in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., from derived prices); and

Level 3 - inputs for the asset or liability that are not based upon observable market data.

The fair value of cash is based on Level 1 inputs.

[a] Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises for the Company from its cash and cash equivalents. The Company has adopted practices to mitigate the deterioration of principal, to enhance the Company's ability to meet its liquidity needs and to optimize yields within those parameters. The Company regularly reviews the collectability of its accounts receivable and would establish an allowance account for credit losses based on its best estimate of any potentially

uncollectible accounts receivable. As of March 31, 2024, the balance of the allowance account for credit losses was $nil (December 31, 2023 - $nil). The Company's cash is deposited in bank accounts and any cash invested in cashable guaranteed investment certificates are held with Canadian Schedule 1 chartered banks in Canada. As most of the Company's cash and cash equivalents are held in the banks there is a concentration of credit risk. This risk is managed by using major banks that are high quality financial institutions as determined by rating agencies.

[b] Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company's exposure to liquidity risk is dependent on its purchasing commitments and obligations and its ability to raise funds to meet commitments and sustain operations. The Company manages liquidity risk by continuously monitoring its actual and forecasted working capital requirements, and actively managing its financing activities. The Company's main source of funding has been the issuance of equity securities, primarily through private placements. Although the Company received gross proceeds of $2,025,000 from the closing of private placements and $792,080 from the exercise of warrants in 2024 to the date of this MD&A, there can be no assurance of continued access to significant equity funding. As at March 31, 2024, the Company had working capital of $1,448,737 (December 31, 2023 – $43,191). As at March 31, 2024, the Company's financial liabilities were comprised of accounts payable and accrued liabilities totaling $701,904.

[c] Market risk

a. Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in the market interest rates. The Company has cash balances and interest-bearing guaranteed investment certificates and has no debt. The Company's excess cash is invested based on the Company's policy to invest the excess cash in high interest savings accounts and/or guaranteed investment certificates issued by its banking institutions. As at March 31, 2024, the Company held $1,486,666 in cash and cash equivalents.

b. Currency risk

The Company is exposed to financial risk related to the fluctuation of foreign exchange rates. The Company has a portion of its operating expenses in US dollars and Euros. The Company has not entered into foreign exchange derivative contracts.

As at March 31, 2024 and December 31, 2023, the Company had liabilities denominated in US dollars. A 10% change in the currency exchange rate between the Canadian dollar relative to the US dollar could have a gain or loss of approximately $260 (2023 - $2,316) on the Company's results of financial position based on the Company's net exposure as at March 31, 2024.

As at March 31, 2024 and December 31, 2023, the Company had liabilities denominated in Euros. A 10% change in the currency exchange rate between the Canadian dollar relative to the Euro could have a gain or loss of approximately $36,580 (December 31, 2023 - $nil) on the Company's results of financial position based on the Company's net exposure as at March 31, 2024 and December 31, 2023.

[d] Capital disclosure

The Company's objective when managing capital is to ensure its ability to continue as a going concern in order to pursue the development of its product candidates for ultimate sale or out-licensing. The Company attempts to maximize return to shareholders by minimizing shareholder dilution and, when possible, utilizing non-dilutive funding arrangements, such as collaborative partnership arrangements.

The Company defines its capital as share capital and reserves. The Company has financed its capital requirements primarily through equity share issuances since inception.

The Company manages its capital structure and may adjust it based on changes in economic conditions and risk characteristics of the underlying assets. The Company may issue new securities. The Company is not subject to any externally imposed capital requirements. There were no changes to the Company's capital management during the three-month period ended March 31, 2024 or year ended December 31, 2023.

CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND POLICIES

In applying the Company's accounting policies, management makes several judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. Actual results may differ from the judgments, estimates and assumptions made by management and will seldom equal the estimated results.

CRITICAL JUDGMENTS

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

i. Research costs and license costs are recognized as an expense when incurred, but development costs may be capitalized as intangible assets if certain conditions are met, as described in International Accounting Standard ("IAS") 38 *Intangible Assets*. Management has determined that development costs do not meet the conditions for capitalization under IAS 38, and all research and development costs and license costs have been expensed.

ii. Management is required to determine whether the going concern assumption is appropriate for the Company at the end of each reporting period. Considerations taken into account include available information about the future, including the availability of financing and revenue projection, as well as the current working capital balance and future commitments of the Company.

ESTIMATION UNCERTAINTY

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

i. 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 provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxation authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

ii. The fair value of accrued liabilities at the time of initial recognition is made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors.

CHANGES IN ACCOUNTING POLICIES

There were no new accounting policies adopted during the period ended March 31, 2024.

RISK FACTORS

An investment in the Company is speculative and involves a high degree of risk. Current and prospective shareholders should specifically consider various factors, including the risk factors outlined below. The Company considers the following risks and other factors to be the most significant for potential investors in the Company, but the risks listed do not necessarily comprise all those associated with an investment in the Company and are not set out in any particular order of priority. Additional risks and uncertainties not currently known to the Company and management may also have an adverse effect on the Company's business. Please see additional risk factors included in the Company's public filings found under the Company's profile on SEDAR+ at www.sedarplus.ca.

Should one or more of these risk factors or uncertainties, including the risks listed below, or a risk that is not currently known to the Company materialize, or should assumptions underlying those forward-looking statements prove incorrect, the Company's business, financial condition, capital resources, results or future operations could be materially adversely affected.

Risks Related to Our Business and the Development of Our Product Candidates

Performance depends primarily on the success of product candidates, which are in early formulation/reformulation and have not yet been field tested or received regulatory approval in any country.

We currently have no products approved or ready for sale or marketing in any country, and may never be able to commercialize our proposed products or obtain regulatory approval for any of our product candidates, including REPELWRAP™ film, if required by any jurisdiction. Our product candidates are in the early stages of formulation and reformulation and have not yet been field tested. Completing field testing and receiving any required regulatory approval for our product candidates will depend on many factors, including, but not limited to the following:

- Successfully completing stability and pathogen testing;
- Successfully scaling product candidates for high volume manufacturing;
- Successfully completing commercial product including finished product specifications and final packaging;
- Preparing and submitting applications for approvals to appropriate regulatory authorities, if required; and
- Launching commercial sales, marketing and distribution operations.

Many of these factors are wholly or partially beyond our control, including the regulatory submission process and changes in the competitive landscape. Although the Company believes REPELWRAP™ film would not require Health Canada or the Pest Control Board approvals for sales in Canada as it believes REPELWRAP™ film will be considered a coating which would not require such approvals, there is no certainty that such approvals may not be required or that it will be successful in obtaining any required approvals or licenses in Canada or any other jurisdiction the Company that the Company intends to sell its products. If we do not achieve one or more of these factors in a timely manner, we could experience significant delays or an inability to commercialize our products.

The Company has a limited operating history and has not yet generated revenues. Availability of future financing is uncertain.

The Company has no history of earnings, has generated no revenues since commencing operations, and has no source of operating cash flow.

The Company will require significant additional capital to execute its business plan and fund its operations that will likely require the involvement of multiple capital sources and participants. Although the Company has been successful to date in financing its activities through the sale of equity securities, there can be no assurance that it will be able to obtain sufficient financing in the future to fund its operations and research and development objectives. The actual availability of financing, the involvement of any or all of the potential participant groups and their level of participation, and the details and terms of any eventual financing will be dependent on numerous conditions, including, but not limited to, general market conditions and other economic considerations at the time. While the Company anticipates that financing for development of its products can be arranged, such financing is highly dependent on factors outside of the Company's control and there can be no assurance that the Company will be successful in arranging financing at all, or if so, under acceptable terms and conditions. Even if the Company begins licensing or selling its products, there is no certainty that the Company will produce revenue, operate profitably or provide a return on investment in the future. There can be no assurance that any future financing will be available on reasonable terms, if at all, and if available, may be dilutive to existing shareholders. Failure to obtain such additional financing could result in delay or indefinite postponement of further research and development activities with the possible loss of the Licensed Technology and Spray Licensed Technology should the Company not be able to meet its commitments pursuant to the License Agreement, Spray License Agreement, the CRA, Catheter Coating CRA or the Spray CRA.

Negative Cash Flow

The Company had negative operating cash flow as at March 31, 2024 and December 31, 2023, and the Company will continue to have negative operating cash flow for the foreseeable future. No assurance can be given that the Company will ever attain positive cash flow or profitability or that additional funding will be available for operations.

No production history and no assurances of future profitability.

To date, the Company has no commercial products available for sale and has recorded no revenue from product sales and there is no assurance that it will generate revenue in the future. There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future. The Company's business operations are at an early stage of development and its success will be largely dependent upon the outcome of its ultimate strategy of successfully developing, marketing and generating sales of its products. The Company's operating expenses and capital expenditures may increase in subsequent years. The Company expects to continue to incur losses unless and until such time as it completes scale-up and commercialization of its products and enters into long term and large volume distribution and manufacturing agreements and generates sufficient revenues to fund its continuing operations.

The Company operates in a highly competitive industry.

The Company faces competition from a number of manufacturers and suppliers of different products to protect surfaces from pathogens. Significant product innovations, technical advances or competitive pricing could adversely affect the Company's operations and future revenues. The Company is currently developing products that will compete with other antimicrobial products that currently already exist or are being developed. Products the Company may develop in the future are also likely to face competition, some of which FendX may not currently be aware of. The Company has competitors in North America and internationally, including companies that are more established than FendX. Many of the Company's competitors have significantly greater financial, manufacturing, marketing, development, technical and human resources than it has. Large companies, in particular, have extensive experience in product development and manufacturing, as well as obtaining regulatory approvals. These companies also have significantly greater research and marketing capabilities than FendX does and may also have products that have been approved or are in late stages of development. Established competitors may also invest heavily to accelerate development of novel products or to license novel products in the Company's target markets, which could make the product candidates that the Company develops obsolete. The Company's commercial opportunity could be reduced or eliminated if its competitors develop and commercialize products that are more effective, affordable or convenient than products that it may develop. The Company's competitors may also obtain regulatory approvals for their products more rapidly, which could result in our competitors establishing a strong market position before the Company is able to enter the market.

Smaller and other early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These third parties compete with the Company in recruiting and retaining qualified scientific and management personnel, establishing manufacturing, as well as in acquiring technologies or intellectual property complementary to, or necessary for, our product candidates. In addition, the Company's industry is characterized by rapid technological change. If the Company fails to stay at the forefront of technological change, it may be unable to compete effectively. Technological advances or products developed by the Company's competitors may render the Company's technologies or product candidates obsolete, less competitive or not economical.

The ability of the Company to satisfy the terms of the License Agreement, Spray License Agreement, the Collaborative Research Agreement, Catheter Coating CRA and Spray CRA and maintain these agreements in good standing.

The Company has been granted an exclusive license to the Licensed Technology and the Spray Licensed Technology pursuant to the License Agreement and Spray License Agreement respectively. The Company's rights and obligations are outlined in each of the License Agreement and Spray License Agreement. The License Agreement requires the Company to complete certain milestones (the "License Agreement Milestones"). Failure to complete the License

Agreement Milestones could allow McMaster to terminate the License Agreement. Both the License Agreement and Spray License Agreement may also be terminated by McMaster if certain other conditions occur. Under the Collaborative Research Agreement, Catheter Coating CRA and Spray CRA, the Company is obligated to make certain payments to McMaster, and the Collaborative Research Agreement, Catheter Coating CRA or Spray CRA could be terminated by McMaster if the Company breaches the respective agreement. If the Company's relationship with McMaster were to terminate, the Company would not be able to distribute and commercialize its products and might not be able to enter into another license agreement with an entity with similar technologies on acceptable terms or at all. As a result, the Company could experience delays in its ability to distribute and commercialize its products or a similar technology, all of which would have a material adverse effect on the Company's business, results of operations and financial condition.

The ability of McMaster to satisfy the terms of the License Agreement, Spray License Agreement, the Collaborative Research Agreement, Catheter Coating CRA and Spray CRA.

Pursuant to the License Agreement and Spray License Agreement, McMaster is, among other things, involved in the ongoing research and development activities being conducted on the Licensed Technology and Spray Licensed Technology, respectively. Pursuant to the Collaborative Research Agreement, Catheter Coating CRA and the Spray CRA, McMaster has agreed to conduct research and development work on behalf of the Company on the Licensed Technology and Spray Licensed Technology respectively, and provide the human resources, materials, facilities and equipment as needed to conduct the sponsored project work. The Company is reliant on McMaster to conduct research and development of the Licensed Technology and Spray Licensed Technology to advance product candidates for manufacturing scale-up and ultimate commercialization. The Company will be at risk should McMaster not be able to discharge its obligations to conduct research and development funded by the Company.

McMaster, on behalf of the Company, is responsible to file provisional patent applications for new inventions arising from research and development work on the Licensed Technology and Spray Licensed Technology. In addition, under the direction of the Company, McMaster is responsible to file Patent Cooperation Treaty ("PCT"), as well as file and prosecute national patent applications. Should McMaster not file new provisional patents, PCT applications and/or file or prosecute national applications, this would materially adversely affect the Company's business, as its products may not have robust enough protection impacting commercialization, and overall operations.

McMaster may not be able to discharge its obligations pursuant to the License Agreement, Spray License Agreement, the Collaborative Research Agreement, Catheter Coating CRA or the Spray CRA and thereby the Company's development timeline, regulatory approval and commercialization prospects for its respective product candidates would be materially adversely affected which may have materially adverse impact on the Company's business.

The ability of the Company to complete scale-up and/or testing of an intermediate prototype of REPELWRAP™ film and/or the spray technology.

Given the early stage of development of both REPELWRAP™ film and the spray technology, the Company can make no assurance that it can develop viable intermediate size prototype films of sprays for commercial scale-up and/or meet certain product specifications including high repel rates of pathogens or demonstrate long-term durability and stability. Although the Company has engaged Dunmore to provide their engineering expertise to scale-up the Company's REPELWRAP™ film to create intermediate-sized prototype films for further testing, there is no guarantee that this scale-up work will be successful. Although the Company has engaged nanoComposix to provide their expertise to scale-up development of the Company's spray technology to advance the spray formulation, scale-up work has not yet commenced and there is no guarantee that this development work will be successful. Even if work is successful, there is no guarantee the development work by either Dunmore or nanoComposix for the film and spray technology respectively, will lead to a commercial product. Further, unsatisfactory results may cause the Company or its collaborators to abandon commitments to either or both programs. The early stage of product development makes it particularly uncertain whether any of its product development efforts will prove to be successful. If the Company fails to develop viable prototypes for scale-up, they fail testing, or formulations cannot be reformulated/optimized, the development timeline and commercialization prospects may be materially adversely affected which may have a material adverse impact on the Company's business. There is no assurance that any other proposed products under development, such as the catheter coating, will be successful in reaching the scale-up phase.

Research and development activities may not be successful.

Given the early stage of product development, the Company can make no assurance that its research and development programs will result in commercially viable products or obtain regulatory approval, as needed. To achieve profitable operations, the Company, alone or with others, must successfully develop and market its future products, and obtain regulatory approval, as needed. To achieve commercial success, sufficient testing must demonstrate that the product candidates demonstrate efficacy and that products can be successfully scaled up for production, in addition to other factors. Unsatisfactory results obtained from testing relating to a research and development program may cause the Company or its collaborators to abandon commitments to that program. The early stage of product development makes it particularly uncertain whether any of its product development efforts will prove to be successful and meet any applicable regulatory requirements, and whether any of its products will receive any requisite regulatory approvals, be capable of being manufactured at a reasonable cost or be successfully marketed. If the Company fails to produce positive results in its future testing of its products or fails to produce test results that demonstrate similar efficacy as any initial testing by McMaster, the development timeline and regulatory approval, if required and commercialization prospects for its products under development, would be materially adversely affected which may have a material adverse impact on the Company's business.

Grant funding obligations and no assurance for future grant funding.

Although the Licensed Technology has been funded partially by grant funding in the past, there is no assurance that the Company, as sponsor, McMaster or the Lead Researchers will be successful in securing additional grants to assist with funding the Company's current and future R&D work plans. In addition, the NSERC Grant awarded to one of the Lead Researchers on May 9, 2022 requires the Company and other third party partners to fulfil certain cash and work commitments. The Company's ability to fulfil its obligations pursuant to the NSERC Grant depends upon the Company's financial condition, operating performance and expected future revenues, will be subject to prevailing economic conditions, competitive conditions, and financial, business, legislative, regulatory and other factors affecting its operations, many of which are beyond the Company's control.

The Company cannot provide assurance that it, nor its third-party partners, will be able to service their obligations pursuant to the NSERC Grant. Failure to meet the terms of the NSERC Grant may also limit the Lead Researcher's ability to obtain future grants with the Company as sponsor, which may have a material and adverse effect on the Company's operations.

Our revenues will be highly dependent on a limited number of products.

The Company will initially generate revenues from a limited number of products that it intends to commercialize. The loss of a single source of revenue for any reason could have a material adverse effect on our business, financial condition and results of operations. In addition, each of these products may face competition and the ability to grow the market and our market share may be limited.

The Company is dependent on current and future collaborative partners, manufacturers, distributors, licensors and others.

The Company has no history of manufacturing, distribution or sales. The Company's success will be dependent upon its ability to enter into distribution and manufacturing agreements with third parties. The Company does not intend to manufacture or sell its products directly but will rely on third party distributors and manufacturers to sell and manufacture its products. To date, the Company has not entered into any formal distribution or manufacturing agreements.

The Company is seeking to engage third-party distribution partners to sell REPELWRAP™ film, however, it may be unable to enter into agreements with third parties to market and sell REPELWRAP™ film or other potential future products, upon successful final product production, for commercialization within and outside of Canada. If the Company is successful in entering into a distribution agreement to market and sell within and outside of Canada, the Company may have limited or no control over sales, marketing and distribution activities of these third parties. The Company's future revenues may depend on the success of the efforts of these third parties. To the extent that the Company relies on, or partners with, third parties to launch and commercialize REPELWRAP™ film if approved, or

any other product for which the Company develops in the future, the Company may receive less revenue than if the Company manufactured or sold these products itself. In the event that the Company is unable to partner with a third-party marketing and sales organization, the Company's ability to generate product revenues may be limited, if any. A variety of risks associated with potential international business relationships could materially adversely affect the Company's business.

The Company may enter into agreements with third parties for the development and commercialization of future products in international markets. If the Company does so, the Company would be subject to additional risks related to entering into international business relationships.

Any collaboration arrangements that the Company may enter into in the future may not be successful, which could adversely affect the Company's ability to develop and commercialize the Company's products. The Company may seek partnerships, collaborations and other strategic transactions to maximize the commercial potential of its products and the Company's proprietary technologies in Canada, the U.S. and other territories throughout the world. The Company may enter into such arrangements on a selective basis depending on the merits of retaining commercialization rights for itself as compared to entering into selective collaboration arrangements with leading distribution companies for each of the Company's products, both in Canada and internationally. The Company faces competition in seeking appropriate collaborators. Moreover, collaboration arrangements are complex and time consuming to negotiate, document and implement. The Company may not be successful in its efforts to establish and implement collaborations or other alternative arrangements should the Company choose to enter into such arrangements. The terms of any collaborations or other arrangements that the Company may establish may not be favourable to the Company. Any future collaborations that the Company enters into may not be successful. The success of the Company's collaboration arrangements will depend heavily on the efforts and activities of the Company's collaborators. Collaborators generally have significant discretion in determining the efforts and resources that they will apply to these collaborations. Disagreements between parties to a collaboration arrangement regarding sales and commercialization matters could lead to delays in the commercialization of the Company's products and, in some cases, termination of the collaboration arrangement. These disagreements can be difficult to resolve if neither of the parties has final decision-making authority. Collaborations with third parties often are terminated or allowed to expire by the other party. Any such termination or expiration could adversely affect the Company financially and could harm the Company's business reputation.

The Company does not own or operate, and has no plans to establish, any manufacturing facilities for the Company's products under development. The Company will rely on key strategic collaborators and manufacturers to develop its prototypes as well as manufacture commercial supplies of finished goods, once its product is fully developed.

The Company plans to negotiate one or more manufacturing agreements with third parties to produce REPELWRAP™ film or other future product samples, prototypes and ultimately, finished, packaged products on behalf of the Company for the Canadian and international markets. The facilities used by any third-party manufacturer must be approved by the relevant regulatory body. The Company will not control the manufacturing process of, and will be completely dependent on, the Company's contract manufacturing partners for compliance with the regulatory requirements, for manufacture of the Company's prototypes and products, if and when finalized. If contract manufacturers that the Company may use cannot successfully manufacture material that conforms to the Company's specifications and any regulatory requirements that may be required, the Company could face material adverse impacts on its operations and cash flow. In addition, the Company has no control over the ability of the Company's contract manufacturers to maintain adequate quality control, quality assurance and qualified personnel. If any regulatory authority does not approve these facilities for the manufacture of the Company's products or product candidates or if it withdraws any such approval in the future, the Company may need to find alternative manufacturing facilities, which would significantly impact the Company's ability to develop, obtain regulatory approval for or market the Company's products or product candidates, if approved. Moreover, if the Company's contract manufacturer cannot successfully manufacture materials that conform to the Company's specifications and any regulatory requirements the Company may be subject to, recalls, product seizures, fines, refusal to permit import or export of the product and injunction against manufacture or distribution or regulatory enforcement action. The machinery to produce the commercial supply of our commercial products and product candidates must be qualified and validated, which is time consuming and expensive, and this machinery is located within one manufacturing site and is customized to the particular manufacturing specifications of each product or product candidate. If any manufacturer is unable to qualify and

validate this equipment in a timely manner, the Company's ability to supply or launch and commercialize, as applicable, any of its products, will be compromised. If this customized equipment malfunctions at any time during the production process, the time it may take the manufacturer to secure replacement parts, to undertake repairs and to revalidate the equipment and process could limit The Company's ability to meet the commercial demand for its products. This may increase the risk that the third party manufacturer may not manufacture the product or product candidate in accordance with the applicable regulatory requirements, that the Company may not have sufficient quantities of that product or that the Company may not have such quantities at an acceptable cost, any of which could delay, prevent, or impair the sale or commercialization of any of our commercial products or product candidates, if approved, and the development of the Company's other product candidates. Reliance on a third-party manufacturer subjects the Company to risks that would not affect the Company if the Company manufactured the commercial product or product candidates itself, including:

- reliance on the third party for regulatory compliance and quality assurance;
- reduced control over the manufacturing process for the Company's products and product candidates;
- the possible breach of the manufacturing agreements by the third party because of factors beyond the Company's control;
- the possibility of termination or nonrenewal of the agreements by the third party because of the Company's breach of the manufacturing agreement or based on their own business priorities;
- the disruption and costs associated with changing suppliers; and
- potential theft of know-how and trade secrets.

The Company's products under development are made from unique formulations which may limit the number of manufacturers with expertise to support manufacturing development. Additionally, the Company's products under development may compete with other products and product candidates for access to manufacturing resources and facilities. There may be a limited number of manufacturers that are both capable of manufacturing for the Company and willing to do so. If the third parties that the Company may engage in the future to manufacture a product for commercial sale should cease to continue to manufacture the Company's products for any reason, the Company likely would experience delays in obtaining sufficient quantities of its products to meet commercial demand or to advance the Company's scale-up and commercialization efforts while the Company identifies and qualifies replacement suppliers. If for any reason the Company is unable to obtain adequate supplies of the Company's products or the substances used to manufacture them, it will be more difficult for the Company to develop its products and compete effectively.

The Company faces legal and regulatory requirements that may change or restrict the Company's ability to develop, manufacture and supply products.

The Company's future operations, including development, and commencement and continuation of commercial production, may require licenses, permits or other approvals from various federal, provincial, local and potentially foreign governmental authorities, and such operations are or will be governed by laws and regulations relating to production, exports, taxes, labor standards, occupational health and safety, the environment and other matters, Furthermore, in certain foreign jurisdictions, these regulatory requirements may be more stringent than those in Canada. Although the Company believes REPELWRAP™ film would not require Health Canada Therapeutic Products Directorate ("TPD"), Pest Management Regulatory Agency ("PMRA") or Consumer and Hazardous Products Safety Directorate ("CHPSD") approvals for sales in Canada as it believes REPELWRAP™ film will be considered a coating which would not require such approvals, there is no certainty that such approvals may not be required or that it will be successful in obtaining any required approvals or licenses in Canada or any other jurisdiction the Company that the Company intends to sell its products. Should the Company be successful in developing a catheter coating, a spray product, or other new products or enhancements which require approval, the Company will be required to obtain all necessary approvals.

To be able to provide the Company's products in other countries, the Company may need to obtain regulatory approvals and comply with the regulations of those countries which may differ substantially from those of Canada. These regulations, including any requirements for approvals and the time required for regulatory review, vary from country to country. Obtaining and maintaining foreign regulatory approvals is complex, and the Company cannot be certain that it will receive regulatory approvals in any foreign country in which the Company plans to market the

Company's products, or to obtain such approvals on a favorable schedule. If the Company fails to obtain or maintain regulatory approval in any foreign country in which the Company plans to market the Company's products, the Company's ability to generate revenue will be harmed.

Achievement of our business objectives is subject to compliance with regulatory requirements enacted by governmental authorities. We may incur costs and obligations related to regulatory compliance. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, thereunder, including orders issued by regulatory or judicial authorities causing the development and manufacture of products to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. We may be required to compensate those suffering loss or damage by reason of our operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Health Canada also regulates certain markets into which the Company intends to supply products or license its intellectual property. Although the Company believes its products will not require Health Canada, PMRA or CHPSD approval, there is no assurance that Health Canada or any other body will require the Company to obtain any license for sales into markets it regulates. Each foreign jurisdiction for the Company's products may also be regulated and there is no assurance that sales of products will be permitted without receipt of regulatory approvals or licenses. Any inability by the Company to obtain approval from Health Canada and/or international bodies could have a material adverse impact of the business of the Company.

Changes in environmental regulation, if any, may adversely impact the Company's operations and future potential profitability. The trend in most countries in environmental legislation and regulation generally is toward stricter standards.

The Company may also be subject to consumer protection laws that may impact its sales and marketing efforts. These laws, as well as any changes in these laws, could make it more difficult for the Company to sell and market its products. These laws and regulations may be subject to change over time and thus the Company must continue to monitor and dedicate resources to ensure continued compliance. Non-compliance with applicable regulations or requirements could subject the Company to investigations, sanctions, enforcement actions, disgorgement of profits, fines, damages, civil and criminal penalties, or injunctions. If any governmental sanctions are imposed, or if the Company does not prevail in any possible civil or criminal litigation, its business, operating results, and financial condition could be materially adversely affected. Additionally, in order for the Company to carry out its activities, any required licenses and permits must be obtained and kept current. There can be no assurance, however, that the Company will obtain on reasonable terms or at all the permits and approvals, and the renewals thereof, which it may require for the conduct of its future operations or that compliance with applicable laws, regulations, permits and approvals will not have an adverse effect on the Company's business plans. Possible future legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delay on the Company's planned research and development and operations, the extent of which cannot be predicted. Failure to comply with applicable laws, regulations and other requirements may have an adverse material impact on the Company and its operations.

No guarantee of success. Even if we commercialize any of our product candidates, our success is dependent upon each product's acceptance in the market.

The Company's first product candidate REPELWRAP™ film is in the early scale-up development stage and is not yet commercially viable. There is no guarantee that the Company's efforts to scale-up and commercialize REPELWRAP™ film will be successful and that it will achieve revenues. There is no assurance that broad successful commercial applications may be feasible for the Company. The Company is continuing to explore, develop, and test its current product candidates, and there can be no assurance that new products will be fully developed for commercial application, that scale-up and commercialization will be successful, if completed at all, that any necessary permits or approvals required in order to market such products will be obtained by the Company. The commercial success of our product candidates will depend upon their acceptance by the market and by various sectors, such as the healthcare industry or high-touch point retail venues. The degree of market acceptance will depend on a number of factors, including:

- perceived unmet need by the market and time it may take to gain acceptance and adoption;

- demonstrated and perceived effectiveness compared to other products;
- limitations and drawbacks compared to other products;
- sales, marketing and distribution support;
- timing of market introduction;
- the degree of cost-effectiveness of our product candidates;
- competitive products;
- adverse publicity of our product candidates or favorable publicity about competitive products;
- convenience and ease of administration of our products; and
- potential product liability claims.

If the market opportunities for any product that we develop are smaller than we believe they are, our revenue may be adversely affected and our business may suffer.

Our projections of the markets in which we anticipate to operate in, are based on estimates. If our projections are inaccurate, the market opportunities for any of our product candidates could be significantly diminished and have an adverse material impact on our business.

Global economic instability may affect the Company's ability to execute its business plan.

Many industries, including our industry, are affected by global market conditions, and negative trends in global economic conditions, including but not limited to interest rates, consumer spending, employment rates, business conditions, inflation, energy costs, debt levels and credit availability. Changes in these conditions may adversely affect the Company's ability to obtain loans and other credit facilities, which could affect the Company's ability to develop and market its products and affect the trading price of the Company's shares in an adverse manner.

Significant political, market, economic, natural or manmade events may have wide-reaching effects and, to the extent they are not accurately anticipated or priced into markets, may result in sudden periods of market volatility and correction. Periods of market volatility and correction may have an adverse impact on economic growth and outlook, as well as lending and capital markets activity, all of which may impact the Company's ability to secure adequate financing on favourable terms, or at all. Global financial markets experienced a period of correction and increased volatility during the COVID-19 pandemic, the conflict between the Russian Federation and Ukraine, the conflict between Israel and Hamas which began in March 2020, February 2022 and October 2023, respectively, and are ongoing as of the date of this MD&A, other than the COVID-19 pandemic which has largely abated. As these global events evolve, there is no guarantee that credit market conditions will not worsen. A general risk-adverse approach to investing, decreases in consumer spending and increases in the unemployment rate and consumer debt levels, which may become more predominant as a result of market turmoil, may limit the Company's ability to obtain future equity financing. Inability to obtain financing at all, or on acceptable terms, may have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects. Other events may also result in volatility and disruption to global supply chains, operations, mobility of people, patterns of consumption and service, and financial markets, and therefore potentially have a negative impact on the Company's ability to secure financing on favourable terms, or at all, its access to its projects, or its ability to execute its business initiatives, including its field programs. Such events may include catastrophic events, either on a global scale or in the specific jurisdictions where the Company operates, and include, but are not limited to, financial crises, such as that which occurred globally in 2008, earthquakes, tsunamis, floods, typhoons, fires, power disruptions, other natural or manmade disasters, terrorist attacks, wars, riots, civil unrest or other conflicts, outbreaks of a public health crises, including epidemics, pandemics or outbreaks of infectious diseases or viruses, as well as related and attendant events.

We may face product liability claims and lawsuits that could adversely impact our business.

If product liability lawsuits are brought against the Company, the Company may incur substantial liabilities and may be required to limit commercialization of any of its development programs, if approved. The Company faces a potential risk of product liability if the Company commercializes its products. For example, the Company may be sued if any product candidate the Company develops allegedly causes injury or is found to be otherwise unsuitable during product testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, negligence, strict liability and

a breach of warranties. Claims could also be asserted under state consumer protection acts. If the Company cannot successfully defend itself against product liability claims, the Company may incur substantial liabilities or be required to limit commercialization of the product candidate subject to such claims. Even successful defense would require significant financial and management resources. Regardless of the merits or eventual outcome, liability claims may result in:

- decreased demand for any products that the Company may develop;
- injury to the Company's reputation;
- costs to defend any related litigation;
- a diversion of management's time and the Company's resources;
- substantial monetary awards to any trial participants or customers;
- product recalls, withdrawals or labeling, marketing or promotional restrictions;
- loss of revenue;
- the inability to commercialize any of the Company's products, subject to any approvals;
- a decline in s stock price; and
- exposure to adverse publicity.

The Company's inability to obtain and retain sufficient product liability insurance at an acceptable cost to protect against potential product liability claims could prevent or inhibit the commercialization of product candidates the Company develops. The Company does not currently maintain product liability insurance given its current level of product development. Although the Company does maintain other forms of insurance, any claim that may be brought against the Company could result in a court judgment or settlement in an amount that is not covered, in whole or in part, by the Company's insurance or that is in excess of the limits of the Company's insurance coverage. The Company's insurance policies also have various exclusions, and the Company may be subject to a product liability claim for which the Company has no coverage. The Company may have to pay any amounts awarded by a court or negotiated in a settlement that exceed the Company's coverage limitations or that are not covered by the Company's insurance, and the Company may not have, or be able to obtain, sufficient capital to pay such amounts.

Risks Related to Management and Personnel

We rely on our management and need additional key personnel to grow our business, and the loss of key employees or inability to hire key personnel could harm our business.

The Company believes its success has depended, and continues to depend, on the efforts and talents of its executives and employees. The Company's future success depends on its continuing ability to attract, develop, motivate and retain highly qualified and skilled employees. Qualified individuals are in high demand, and we may incur significant costs to attract and retain them. The Company's senior management team has expertise in many different aspects of development, licensing, and commercialization. Competition for skilled personnel in the Company's market is intense and competition for experienced personnel may limit the Company's ability to hire and retain highly qualified personnel on acceptable terms. Despite the Company's efforts to retain valuable executives and consultants, members of the Company's management, operations and scientific teams may terminate their employment or consulting arrangements with the Company on short notice. In addition, the loss of any of the Company's senior management or key employees could materially adversely affect its ability to execute its business plan and strategy, and the Company may not be able to find adequate replacements on a timely basis, or at all. The Company does not maintain key person life insurance policies on any of its management or employees.

In addition, the Company is subject to a variety of business risks generally associated with growing companies, including capacity constraints and pressure on its internal systems and controls. The Company's ability to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. Future growth and expansion could place significant strain on management personnel and likely will require the Company to recruit additional management personnel.

There can be no assurance that the Company will be able to manage expanding operations (including any acquisitions) effectively, that it will be able to sustain or accelerate our growth or that such growth, if achieved, will result in profitable operations, that it will be able to attract and retain sufficient management personnel necessary for continued growth, or that it will be able to successfully make strategic investments or acquisitions.

We may become subject to liability arising from any fraudulent or illegal activity by our employees, contractors and consultants.

The Company is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to us that violates: (i) government regulations; (ii) manufacturing standards; (iii) federal and provincial healthcare fraud and abuse laws and regulations; or (iv) laws that require the true, complete and accurate reporting of financial information or data. It is not always possible for the Company to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Company to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting it from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against the Company, and the Company is not successful in defending itself or asserting its rights, those actions could result in the imposition of civil, criminal and administrative penalties, damages, monetary fines or contractual damages on us, reputational harm, diminished profits and future earnings, and curtailment of the Company's operations.

Our success is tied to management's efforts and abilities.

The success of the operations and activities of the Company is dependent to a significant extent on the efforts and abilities of our management team and other key personnel, including the Lead Researchers. Investors must be willing to rely to a significant extent on the discretion and judgment of the Company's management team.

There may be conflicts of interest.

The Company's directors and officers may serve as directors or officers of other similar companies or have significant shareholdings in other similar companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms in accordance with the BCBCA. In accordance with the laws of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

Risks Related to Intellectual Property

We rely on intellectual property and may not be able to protect intellectual property rights throughout the world.

Our success is heavily dependent upon intangible property and technology that we own and/or license from others, including pursuant to the License Agreement and Spray License Agreement. We rely upon copyrights, patents, trade secrets, unpatented proprietary know-how and continuing innovation to protect the intangible property, technology and information we consider important to the development and success of our business. We utilize various methods to protect our proprietary rights, including confidentiality agreements with consultants, service providers and management that contain terms and conditions prohibiting unauthorized use and disclosure of confidential information. However, despite efforts to protect intangible property rights, unauthorized parties may attempt to copy or replicate intangible property, technology or processes. Further, identifying the unauthorized use of intellectual property rights is difficult as we may be unable to effectively monitor and evaluate the products being distributed by our competitors. There can be no assurance that the steps taken by us to protect intangible property, technology and information will be adequate to prevent misappropriation or independent third-party development of our intangible property, technology or processes. Other companies may also be able to materially duplicate our proprietary technology. To the extent that any of the above would occur, this could reduce any competitive advantage the Company may have, reduce our market share otherwise harm our business and revenue could be negatively affected, and in the future, we may have to litigate to enforce our intangible property rights, which could result in substantial costs and divert management's attention and other resources.

Further, we may be unable to obtain registrations for our intellectual property rights for various reasons, including

refusal by regulatory authorities to register trademarks or other intellectual property protections, prior registrations of which we are not aware, or we may encounter claims from prior users of similar intellectual property in areas where we operate or intend to conduct operations. In addition, effective patent, trade secret and other intellectual property protection may be unavailable or limited in some foreign countries. In some countries, the Company may not apply for patent or other intellectual property protection. The Company also relies on unpatented technological innovation and other trade secrets to develop and maintain its competitive position. Although the Company generally enters into confidentiality agreements with its employees and third parties to protect its intellectual property, these confidentiality agreements are limited in duration, could be breached and may not provide meaningful protection of its trade secrets. Adequate remedies may not be available if there is an unauthorized use or disclosure of the Company's trade secrets and manufacturing expertise. In addition, others may obtain knowledge about the Company's trade secrets through independent development or by legal means. The failure to protect the Company's processes, technology, trade secrets and proprietary manufacturing expertise, methods and compounds could have a material adverse effect on its business by jeopardizing critical intellectual property.

Where a product formulation or process is kept as a trade secret, third parties may independently develop or invent and patent products or processes identical to such trade secret products or processes. This could have a material adverse effect on the Company's ability to make and sell products or use such processes and could potentially result in costly litigation in which the Company might not prevail. The Company could face intellectual property infringement claims that could result in significant legal costs and damages and impede its ability to produce key products, which could have a material adverse effect on its business, financial condition, and results of operations.

In addition, we cannot be certain that issued patents will be enforceable or provide adequate protection or that pending or contemplated patent applications will result in issued patents. Competitors may independently develop similar products, duplicate our products, design around our patent rights, or obtain patents and proprietary rights that block or compete with our products.

Policing the unauthorized use of our current or future intellectual property rights could be difficult, expensive, time-consuming and unpredictable, as may be enforcing these rights against unauthorized use by others. Actions taken to protect or preserve intellectual property rights may require significant financial and other resources, and filing, prosecuting, and defending patents on all of our product candidates in all jurisdictions throughout the world would be prohibitively expensive. Therefore, we have filed applications and/or obtained patents only in key markets, such as the United States. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and their products may compete with ours.

In addition, if competitors infringe on our intellectual property, we may have to participate in litigation, interference or other proceedings that are expensive and divert management's attention to determine the right to a patent or other intellectual property or the validity of any patent granted. In any infringement proceeding, some or all of our current or future trademarks, patents or other intellectual property rights or other proprietary know-how, or arrangements or agreements seeking to protect the same for our benefit, may be found invalid, unenforceable, anti-competitive or not infringed. An adverse result in any litigation or defence proceedings could put one or more of our current or future trademarks, patents or other intellectual property rights at risk of being invalidated or interpreted narrowly and could put existing intellectual property applications at risk of not being issued.

The Company's performance and ability to compete are dependent to a significant degree on the proprietary technology licensed to it under the License Agreement and Spray License Agreement. The Company relies on the patents and a combination of copyright and trade secret laws, as well as confidentiality agreements and technical measures, to establish and protect the proprietary rights of the Inventions. As part of its confidentiality procedures, the Company generally enters into agreements with its employees and consultants and limits access to and distribution of its documentation and other proprietary information. Accordingly, while the Company will endeavor to protect the intellectual property licensed to it under the License Agreement and Spray License Agreement, there can be no assurance that the steps taken by the Company will prevent misappropriation of that technology or that agreements entered into for that purpose will be enforceable. The laws of other countries may afford the Company little or no effective protection of its intellectual property or the intellectual property of McMaster.

The Company may not successfully secure patents.

Pursuant to the License Agreement and Spray License Agreement, the Company has agreed to fund McMaster's applications for patents under the Licensed Patent Rights. There can be no assurance that our pending patent applications or any future patent applications will result in issued patents in Canada, the U.S. or foreign jurisdictions in which such applications are pending. Even if patents do issue on any of these applications, there can be no assurance that a third party will not challenge their validity or enforceability, or that the Company will obtain sufficient claim scope or term in those patents to prevent a third party from competing successfully with the Company's product candidates. As a result, the Company could experience delays in its ability to distribute and commercialize REPELWRAP™ film or any other product candidate, all of which would have a material adverse effect on the Company's business, results of operations and financial condition.

There are risks of infringement on third parties' intellectual property.

Although the Company does not believe that its proposed products infringe on the proprietary rights of any third parties, there can be no assurance that infringement or invalidity claims (or claims for indemnification resulting from infringement claims) will not be asserted or prosecuted against the Company or McMaster or that any such assertions or prosecutions will not materially adversely affect the Company's business, financial condition, or results of operations. Regardless of the validity or the successful assertion of such claims, the Company could incur significant costs and diversion of resources with respect to the defense thereof, which could have a material adverse effect on the Company's business, financial condition, or results of operations.

Risks Related to Ownership of Our Common Shares

The market price of our Common Shares may be volatile, which could result in substantial losses for investors purchasing Common Shares.

The securities of publicly traded companies, particularly technology companies, can experience a high level of price and volume volatility and the value of the Company's securities can be expected to fluctuate depending on various factors, not all of which are directly related to the success of the Company and its operating performance, underlying asset values or prospects. These include the risks described elsewhere in this MD&A. The trading price of the Company's Common Shares has been and may continue to be subject to large fluctuations, which may result in losses to investors. The trading price of the Company's Common Shares may increase or decrease in response to a number of events and factors, including:

- actual or anticipated fluctuations in our quarterly results of operations;
- recommendations by securities research analysts;
- changes in the economic performance or market valuations of companies in the industry in which we operate;
- addition or departure of our executive officers and other key personnel;
- sales or perceived sales of additional Common Shares;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving us or our competitors;
- operating and share price performance of other companies that investors deem comparable to the Company or from a lack of market comparable companies;
- issuances of common shares or debt securities by the Company; and
- the expiration of lock-up or other transfer restrictions on outstanding Common Shares.

There are risks associated with the potential dilution of our Common Shares.

We may raise additional funds in the future by issuing equity securities. Such equity securities could contain rights and preferences superior to those of the Common Shares and holders of Common Shares will have no pre-emptive rights in connection with such further issues. The Board of Directors has the discretion to determine if an issuance of equity securities is warranted, the price at which such issuance is effected and the other terms of issue of any equity securities, including Common Shares or equity securities convertible into Common Shares. In addition, additional Common Shares may be issued by us in connection with the exercise of options granted. To the extent holders of our

options or other convertible securities convert or exercise their securities and sell the Common Shares they receive, the trading price of the Common Shares may decrease due to the additional number of Common Shares available in the market. Such additional equity issuances could, depending on the price at which such securities are issued, substantially dilute the interests of the holders of Common Shares. In addition, we cannot predict the size of future issuances of our equity securities, including Common Shares, or the effect, if any, that future issuances and sales of our equity securities, including Common Shares will have on the market price of our Common Shares. Sales of substantial amounts of our Common Shares, or the perception that such sales could occur, may adversely affect prevailing market prices for our Common Shares.

Liquidity of Common Shares.

Having listings on public stock exchanges should not be taken as implying that there will be a liquid market for the Common Shares. Thus, an investment in the Common Shares may be difficult to realize. Investors should be aware that the value of the Common Shares may be volatile. Investors may, on disposing of Common Shares, realize less than their original investment, or may lose their entire investment. The Common Shares, therefore, may not be suitable as a short-term investment.

The market price of the Common Shares may not reflect the underlying value of the Company's net assets. The price at which the Common Shares will be traded, and the price at which investors may realize their Common Shares, will be influenced by a large number of factors, some specific to the Company and its proposed operations, and some which may affect the sectors in which the Company operates. Such factors could include the performance of the Company's operations, large purchases or sales of the Common Shares, liquidity or the absence of liquidity in the Common Shares, legislative or regulatory changes relating to the business of the Company, and general market and economic conditions. There. There can be no assurance that there will be sufficient liquidity of the Common Shares on the trading market, or that we will continue to meet the listing requirements of the CSE or any other public listing exchange on which the Common Shares is or may subsequently be listed.

If securities or industry analysts do not publish research or publish inaccurate or unfavourable research about us or our business, our trading price and volume could decline.

The trading market for our Common Shares will depend, in part, on the research and reports that securities or industry analysts publish about us or our business. We do not currently have and may never obtain research coverage by securities and industry analysts. If no securities or industry analysts commence covering us, the trading price for our Common Shares could be negatively impacted. If we obtain securities or industry analyst coverage and one or more of the analysts who cover us downgrade our Common Shares or publish inaccurate or unfavourable research about our business, or more favourable relative recommendations about our competitors, our trading price may decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our Common Shares could decrease, which could cause our trading price and volume to decline.

We may not be able or willing to pay any dividends.

No dividends on the Common Shares have been paid to date and there is no assurance as to whether we will be profitable enough to pay dividends, or determine to do so even if sufficiently profitable. We anticipate that, for the foreseeable future, we will retain future earnings and other cash resources for the operation and development of our business. Payment of any future dividends will be at the discretion of the Board of Directors after considering many factors, including our earnings, operating results, financial condition, current and anticipated cash needs, and restrictions in financing agreements. Our ability to pay dividends is subject to our future financial position. Our Board must also approve any dividends at their sole discretion. There is no assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividends.

Other Risks

The COVID-19 Public Health Crisis or another global health crisis could materially affect the Company's business, operations and financial condition.

The Company's business, operations and financial condition could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including the outbreak of COVID-19. On January 30, 2020, the WHO declared the outbreak a global health emergency, on March 11, 2020, the WHO declared the outbreak a global pandemic. On May 4, 2023, the WHO downgraded the COVID-19 pandemic.

During the COVID-19 pandemic, there have been a large number of temporary business closures, quarantines and various reductions (and surges) in consumer activity worldwide, including in Canada. The outbreak caused companies and various international jurisdictions to impose travel, gathering and other public health restrictions. While to date these effects have been temporary and sporadic, the duration of any future disruptions to businesses locally and internationally and the extent to which the related financial impact that may affect the Company's business, financial condition and results of operations are unknown and may be material.

Such public health crises can result in volatility and disruptions in global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk and inflation. The risks to the Company of such public health crises also include risks to employee health and safety, a slowdown or temporary suspension of operations in geographic locations affected by an outbreak, increased labour and fuel costs, regulatory changes, political or economic instabilities or civil unrest.

To date the Company's business operations have not been substantially affected by the COVID-19 pandemic (save for requiring some company staff to work remotely). A future wave of COVID-19 or a new global health pandemic may result in further disruptions due to: (i) restrictions that governments and communities impose to address the COVID-19 global pandemic or a new global health pandemic; (ii) restrictions that the Company or any manufacturing and distributor partners impose to ensure the safety of employees and others; (iii) shortages of employees and/or unavailability of manufacturing and distributor partners; (iv) interruption of supplies from third-parties upon which the Company relies and/or (v) vaccination requirements.

There are risks related to the use of available funds.

The Company has prepared a detailed budget setting out the way it intends to use its available funds. However, the Company's management will have broad discretion concerning the use of the funds as well as the timing of their expenditures, and there can be no assurance as to how the funds will be allocated. However, the quantum and timing of expenditure will necessarily be dependent upon the Company's ultimate strategy of successfully developing and marketing REPELWRAP™ film and any other products. As the Company continues to develop its products, it is possible that circumstances may dictate a departure from the pre-existing budget. Further, the Company may, from time to time as opportunities arise, utilize part of its financial resources to participate in additional opportunities that arise and fit within the Company's broader objectives, as a means of advancing shareholder value. Until utilized, the funds will be held in cash balances in the Company's bank account or invested at the discretion of the directors and/or senior management of the Company. The results and the effectiveness of the application of the funds are uncertain. If the available funds are not applied effectively, the Company's business, prospects, financial condition and results of operations may suffer, which could have material and adverse effect on the trading price of the Common Shares in the market.

The Company is subject to the effects of general economic and political conditions.

The business of the Company is subject to the impact of changes in Canadian, U.S. and international economic conditions, including but not limited to, recessionary or inflationary trends, equity market conditions, interest rates, consumers' disposable income and spending levels, job security and unemployment, and overall consumer confidence. These economic conditions may be further affected by political events throughout the world that cause disruptions in the financial markets, either directly or indirectly. Adverse economic and political developments could have a material

adverse effect on the Company and its business, financial condition, results of operations and cash flows.

General

Although management believes that the above risks fairly and comprehensibly illustrate all material risks facing the Company, the risks noted above do not necessarily comprise all those potentially faced by the Company as it is impossible to foresee all possible risks.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR+ at www.sedarplus.ca.