

# **MOSS GENOMICS INC.**

Management Discussion and Analysis  
For the years ended June 30, 2024 and 2023  
(Expressed in Canadian Dollars)

*This management's discussion and analysis ("MD&A") is management's interpretation of the financial condition and results of operations of Moss Genomics Inc. ("Moss" or the "Company") for years ended June 30, 2024 and 2023. This MD&A should be read in conjunction with the consolidated financial statements of the Company for the years ended June 30, 2024 and 2023 prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). This MD&A complements and supplements, but does not form part of, the Company's financial statements. Information about the Company and its operations can be obtained from the Company's profile on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)).*

*All forward-looking statements, including those not specifically identified herein, are made subject to cautionary language contained herein. Readers are advised to refer to the cautionary language when reading any forward-looking statements. All dollar amounts contained herein are expressed in Canadian dollars unless otherwise indicated. This MD&A has been prepared as of October 25, 2024.*

## **OVERALL PERFORMANCE**

### **Background**

Moss was incorporated under the British Columbia Business Corporations Act on September 25, 2018. The head office of the Company is located at Suite 907 – 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3 and the registered and records office of the Company is located at Suite 2200 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8.

On January 19, 2023, the Company received final receipt from the British Columbia Securities Commission of the Company's Long Form Prospectus dated January 19, 2023 and the Company's common shares were listed on the Canadian Securities Exchange ("CSE") under the trading symbol "MOSS".

As at June 30, 2024, the Company had \$11,740 (June 30, 2023 - \$17,587) in cash and the Company had a working capital deficit of \$67,794 (June 30, 2023 – working capital of \$9,269). During the year ended June 30, 2024, the Company incurred a net and comprehensive loss of \$133,037 (2023 - \$730,391).

On September 7, 2022, 450,000 share purchase warrants were exercised for gross proceeds of \$45,000.

On February 22, 2023 the Company granted incentive stock options to certain directors, officers and consultants to acquire 1,320,000 common shares of the Company at a price of \$0.10 per share, vesting immediately and expiring on February 22, 2028.

In October 2023, 200,000 share purchases warrants were exercised for gross proceeds of \$20,000.

As at June 30, 2024, the Company has not paid any cash dividends on its common shares nor does it have any present intention of paying cash dividends on its common shares, as it anticipates that all available funds for the foreseeable planning horizon will be invested to finance its business activities. The Company had accumulated losses of \$1,610,171 (June 30, 2023 - \$1,477,134) since inception.

**ANNUAL FINANCIAL INFORMATION**

The selected financial information below is derived from the Company's audited consolidated financial statements for the years ended June 30, 2023, 2022, 2021, prepared in accordance with IFRS. The Company's significant accounting policies and new accounting policies applied in the preparation of its consolidated financial statements are outlined in the Company's audited consolidated financial statements for the years then ended.

	<b>Years ended June 30,</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
Total revenue	\$ -	\$ -	\$ -
Loss	(133,037)	(730,391)	(655,365)
Total comprehensive loss	(133,037)	(730,391)	(655,365)
Basic loss per common share	(0.00)	(0.02)	(0.02)

	<b>As at June 30,</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
Cash	\$ 11,740	\$ 17,587	\$ 687,739
Total assets	72,658	126,783	801,761
Non-current financial liabilities	-	-	-
Shareholders' equity (deficiency)	(26,753)	76,284	661,487

**RESULTS OF OPERATIONS**

**Year Ended June 30, 2024 and 2023**

The loss and comprehensive loss for the years ended June 30, 2024 and 2023, are summarized below:

	<b>Year Ended June 30, 2024</b>	<b>Year Ended June 30, 2023</b>
Consulting fees	\$ 1,773	\$ 287,156
Professional fees	31,545	69,385
Office and miscellaneous	54,468	108,007
Transfer agent and filing fees	16,672	76,435
Marketing	2,605	43,868
Stock-based compensation	-	100,188
Depreciation expense	25,974	45,352
<b>Loss and comprehensive loss for the year</b>	<b>\$ 133,037</b>	<b>\$ 730,391</b>

For the year ended June 30, 2024 and 2023, the Company reported net losses of \$133,037 and \$730,391, respectively, a decrease of \$597,354.

Expenses incurred were lower during the year ended June 30, 2024 compared to the same period in 2023 as the Company began cash conservation procedures.

#### **FOURTH QUARTER**

The net loss and comprehensive loss for the three months ended June 30, 2024 and 2023, are summarized below:

	<b>Three Months Ended June 30, 2024</b>	<b>Three Months Ended June 30, 2023</b>
Consulting fees	\$ 1,773	\$ 46,929
Professional fees	4,577	4,300
Office and miscellaneous	15,096	41,044
Transfer agent and filing fees	4,889	4,881
Marketing fees	-	3,077
Depreciation expense	5,000	11,321
<b>Loss and comprehensive loss for the period</b>	<b>\$ 31,335</b>	<b>\$ 111,552</b>

For the three months ended June 30, 2024 and 2023, the Company reported net losses of \$31,335 and \$111,552, respectively, a decrease of \$80,217.

#### **SUMMARY OF QUARTERLY RESULTS**

The following financial information is derived from the Company's financial statements, prepared in accordance with IFRS.

	<b>June 30 2024</b>	<b>Mar 31 2024</b>	<b>Dec 31 2023</b>	<b>Sep 30 2023</b>	<b>June 30 2023</b>	<b>Mar 31 2023</b>	<b>Dec 31 2022</b>	<b>Sep 30, 2022</b>
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loss and comprehensive loss	\$ (31,335)	\$ (15,886)	\$ (28,606)	\$ (57,210)	\$(111,552)	\$(354,578)	\$(164,166)	\$(100,095)
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.00)	\$ (0.00)

#### **LIQUIDITY AND CAPITAL RESOURCES**

The Company reported a working capital deficit of \$67,794 as at June 30, 2024 (June 30, 2023 – working capital of \$9,269), which includes a cash balance of \$11,740 (June 30, 2023 - \$17,587).

Current liabilities as at June 30, 2024 consisted of accounts payable and accrued liabilities of \$99,411 (June 30, 2023 - \$50,499).

There is no assurance that the Company will identify an appropriate business for acquisition or investment, and even if so identified and warranted, it may not be able to finance such an acquisition or investment. As such, the Company's business involves a high degree of risk.

Additional funds will be required to enable the Company to pursue such an initiative and the Company may be unable to obtain such financing on terms which are satisfactory to it. Furthermore, there is no assurance that the Company will be profitable. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and/or private placement of common shares. These conditions indicate the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern. As such, it is no guarantee that the Company may continue to operate into the future with the necessary working capital, and it is a clear risk that the liquidity situation of the Company may not remain adequate in order to continue working with suppliers and meeting its liabilities and financial obligations. Due to this fact, the Company recognizes that

**Moss Genomics Inc.**  
**Management Discussion and Analysis**  
**For the years ended June 30, 2024 and 2023**

there is a significant risk around the sufficiency of cash and cash equivalents both now and looking into the future.

## **OFF-BALANCE SHEET ARRANGEMENTS**

The Company had no off-balance sheet arrangements as at June 30, 2023, or June 30, 2022 or as at the date hereof.

## **TRANSACTIONS WITH RELATED PARTIES**

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Board and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

During the year ended June 30, 2024, the Company incurred consulting fees for key management remuneration of \$Nil (2023 - \$112,237) to the Company's Chief Executive Officer ("CEO"). As at June 30, 2024, the Company owed \$12,325 (June 30, 2023 - \$11,499) to the CEO included in accounts payable.

These transactions are in the normal course of operations, and on normal commercial terms and conditions, which is the amount of consideration established and agreed to by the related parties.

## **FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

### **Classifications**

The Company's financial assets and liabilities are classified as follows:

	<b>June 30, 2024</b>	June 30, 2023
Financial assets at amortized cost		
Cash	<b>\$ 11,740</b>	\$ 17,587
GST receivable	<b>19,877</b>	16,128
Financial liabilities at amortized cost		
Accounts payable and accrued liabilities	<b>99,411</b>	50,499

The fair values of the Company's accounts payable approximate their carrying amounts due to the short-term nature of these instruments.

### **Fair value information**

The fair values of the Company's cash approximate their carrying amounts due to the short-term nature of these instruments.

IFRS 7 *Financial Instruments: Disclosures* establishes a fair value hierarchy that reflects the significance of inputs used in measuring fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

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

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At June 30, 2024 and June 30, 2023, the Company had no financial assets measured and recognized on the statement of financial position at fair value belonging in Level 2 or Level 3 of the fair value hierarchy.

## **Financial instrument risk exposure**

The Company's financial instruments expose the Company to certain financial risks, including credit risk, liquidity risk, interest rate risk and foreign currency risk.

### *Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company assessed credit risk as low.

### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered. The Company not have sufficient cash to meet its current liabilities at June 30, 2023, therefore the Company assessed liquidity risk as high.

### *Foreign exchange risk*

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is exposed to foreign exchange risk on its accounts payable denominated in US dollars.

As at June 30, 2024 and June 30, 2023, the Company had exposure to foreign currency risk through the following assets and liabilities denominated in US Dollars:

	<b>June 30, 2024</b>	<b>June 30, 2023</b>
	<b>US Dollars</b>	<b>US Dollars</b>
Accounts payable and accrued liabilities	(10,764)	(10,764)
Canadian dollar equivalent	(14,456)	(14,252)

Based on the above net exposures a 5% change in the Canadian Dollar/US Dollar exchange rate would impact the Company's net loss by approximately \$723 (June 30, 2023 - \$713). As at June 30, 2024 and June 30, 2023 the Company has not hedged its exposure to currency fluctuations. The Company assessed its financial currency risk as moderate as at June 30, 2024 and June 30, 2023.

### *Interest rate risk*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's loan payable is non-interest bearing. The Company assessed interest rate risk as low.

## **PROPOSED TRANSACTIONS**

At the time of this report, the Company is not contemplating any proposed transactions.

## **NEW ACCOUNTING STANDARDS AND ACCOUNTING STANDARDS NOT YET EFFECTIVE**

During the year ended June 30, 2024, the Company did not adopt any new accounting policies.

## **RISKS AND UNCERTAINTIES**

There is no assurance that the Company will be able to finance its operations. As such, the Company's business involves a high degree of risk. Additional funds will be required to enable the Company to pursue such an initiative and the Company may be unable to obtain such financing on terms which are satisfactory to it. Furthermore, there is no assurance that the Company will be profitable. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and/or private placement of common shares. These conditions indicate the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern.

## **OUTSTANDING SHARE DATA**

The authorized capital of Moss consists of an unlimited number of common shares without par value. As at the date of this MD&A, there were 44,827,000 common shares and 1,095,000 stock options issued and outstanding.

Set forth below are details regarding the outstanding stock options:

<b>Number of options</b>	<b>Number Exercisable</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
1,095,000	1,095,000	\$ 0.10	February 22, 2028

## **CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION**

This MD&A contains "forward-looking statements" which reflect the Company's current expectations regarding the future results of operations, performance and achievements of the Company. The Company has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "anticipate," "believe," "estimate," "expect" and similar expressions. With respect to forward-looking information contained herein, the Company has applied several assumptions including, but not limited to that any additional financing needed will be available on reasonable terms; that the Company's other corporate activities will proceed as expected and that general business and macro-economic conditions will not change in a materially adverse manner. The statements reflect the current beliefs of the management of the Company and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, these statements. Such risks include, among others, the risks set out under the heading "Financial Instruments and Risk Management" and "Risks and Uncertainties" in this MD&A and in the Company's long form prospectus dated December 13, 2022.

## **DISCLAIMER**

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. It should be read in conjunction with all other disclosure documents provided by the Company, which can be accessed at [www.sedarplus.ca](http://www.sedarplus.ca).