MANAGEMENT'S DISCUSSION AND ANALYSIS

For the nine months ended September 30, 2025
As of November 28, 2025

This management discussion and analysis ("MD&A") of FendX Technologies Inc. (the "Company" or "FendX") is for the nine months ended September 30, 2025. 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 nine-month period ended September 30, 2025, and the related notes thereto (the "Financial Statements"). The Company's Financial Statements are prepared by management in accordance with International Accounting Standards ("IAS") 34 – Interim Financial Reporting. The Financial Statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's audited financial statements as at December 31, 2024 and for the fiscal year then ended, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board, and interpretations issued by the International Financial Reporting Interpretation Committee. All amounts are expressed in Canadian dollars unless otherwise indicated.

In August 2025, the Company consolidated its share capital based on one post-consolidation common share for every ten pre-consolidation common shares. All common share and per-share amounts have been restated to reflect the share consolidation.

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;
- our expectations regarding commercialization initiatives and objectives;
- laws and regulations and any amendments thereto applicable to us;
- our competitive advantages and business strategies;
- our future product offerings, including acquisition and licensing of future products;
- our research and development, real-world testing and scale-up initiatives and expected results thereof;
- our ability to enter into and maintain supply chain, 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 real-world testing, scale-up and/or commercialization plans; our ability to execute on our expansion plans, including new technology and/or product opportunities; 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") and the Tradegate Exchange under the symbol "E8D0".

FendX is an early-stage technology company focused on developing and commercializing advanced surface protection solutions to help reduce the spread of pathogens and address the growing global demand for innovative hygiene and safety solutions. The Company is currently developing its nano-technology-based solutions, including REPELWRAP™ film and a liquid nano-coating (formerly referred to as the spray formulation). These products are

designed to protect high-touch surfaces from harmful pathogens and reduce their transmission. In addition, the Company is developing a coating for Foley catheters aimed at reducing catheter-associated urinary tract infections ("CAUTIs"). The Company is also pursuing additional complementary opportunities to expand its portfolio of innovative hygiene and safety solutions.

The Company's future performance depends on, among other things, its ability to: (i) fund the Company's operations including research and development requirements; (ii) complete the development the Company's products under development including scale-up and/or testing and commercialization; (iii) enter into formal engagements with distribution, licensing and manufacturing and supply chain partners; and (iv) continue to expand the Company's portfolio through licensing, developing or acquiring additional new products or technologies.

NATURE OF OPERATIONS

The Company is a technology company focused on the development and advancement of surface protection solutions that provide antimicrobial protection and address the growing global demand for innovative hygiene and safety solutions. The Company's technologies were initially licensed from McMaster University ("McMaster"), including REPELWRAP™ film, a liquid nano-coating and a catheter coating. Research and development ("R&D") activities have been conducted under collaborative research agreements with McMaster and lead researchers Drs. Leyla Soleymani and Tohid Didar (the "Lead Researchers") conducted at McMaster (see "*License and Collaborative Research Agreements*").

To date, the Company has achieved key milestones, including automated manufacturing of REPELWRAP™ film on Dunmore International Corp.'s ("Dunmore") commercial equipment to produce intermediate-size films, and development of new formulations of both a liquid nano-coating and Foley catheter coating which are undergoing antimicrobial testing.

The intermediate-sized REPELWRAP™ films have undergone two real-world environmental tests which have demonstrated the expected repelling properties. The Company is evaluating next steps for manufacturing and potential future commercialization of REPELWRAP™ film. (See "*License and Collaborative Research Agreements*" and "*R&D Project Update - Description of REPELWRAP™ Film Under Development*").

The Company has been advancing liquid nano-coating formulations with McMaster which has resulted in development of a new liquid nano-coating formulation that demonstrates significant antimicrobial properties and is more amenable to cost-effective scale-up (the "New Nano-Coating"). The Company intends to continue to develop the New Nano-Coating which is currently undergoing antimicrobial testing. (See "*License and Collaborative Research Agreements*" and "*R&D Project Update – Description of Liquid Nano-Coating Under Development*").

The Company has been working with McMaster to develop a specialized coating for Foley catheters, which has resulted in a new formulation (the "Foley Catheter Coating") which has demonstrated promising effectiveness in reducing CAUTIs. Following successful antimicrobial testing, the Company intends to assess the regulatory pathway to further develop the Foley Catheter Coating. (See "*License and Collaborative Research Agreements*" and "*R&D Project Update - Description of Foley Catheter Coating Under Development*").

On August 20, 2025, the Company announced the filing of a provisional patent application titled *"*AI Adaptive App Pathogen Detection Platform" by the Company's CEO that will be assigned to the Company. The Company has provided criteria for pathogens to be detected to a third-party software developer who is building an AI-powered mobile application based on the Company's provisional patent application noted above. The application is intended to detect harmful pathogens on surfaces using smartphone-based imaging, biosensor technology, and artificial intelligence to enable real-time, onsite detection of pathogens such as Salmonella and E. coli for both consumer and professional hygiene monitoring applications. The developer is currently in the research and development phase of app development. Once a functional prototype is available, it will undergo beta-testing to validate detection accuracy and performance. The Company views this initiative as a way to enhance surface hygiene practices through improved monitoring. The project is in early stage development, and no development, licensing or distribution agreements have been established with the app developer (see "*Risk Factors*").

To date, the Company has not generated any product sales revenues. Its technologies are all in the development stage, and neither final intermediate scale-up nor commercial scale-up work has been completed, and the Company has not

entered into any formal manufacturing, distribution, sales or licensing agreements. There is no certainty that any of the above will be completed or achieved for any technology under development (See "*Risk Factors*").

HIGHLIGHTS FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025

Highlights during and subsequent to the period ended September 30, 2025 include:

- On November 21, 2025, the Company announced proposed debt settlements with two creditors to issue an aggregate of 34,540 common shares to settle $25,560 of payables, subject to CSE approval.

- On November 18, 2025, the Company announced it entered into a memorandum of understanding (the MOU") with Aquaox LLC ("Aquaox") dated November 17, 2025 to enter into a collaboration and supply agreement with the objective of jointly formulating novel, eco-friendly antimicrobial blended agents engineered to enhance pathogen elimination.

- On October 22, 2025, the Company announced the filing of a provisional patent application number US63/936,328 with the United States Patent and Trademark Office ("USPTO") titled "Antimicrobial Coating for Long-Lasting Pathogen Control on High-Touch Surfaces" related to the New Nano-Coating.

- On August 26, 2025, the Company announced the filing of a provisional patent application number US63/835,648 with the USPTO titled "Lubricated Dilated Medical Catheters and Cannula and Uses Thereof" related to the Foley Catheter Coating.

- On August 20, 2025, the Company announced filing of a provisional patent application number US63/835,582 by the Company's CEO which will be assigned to FendX, with the USPTO titled "AI Adaptive App Pathogen Detection Platform".

- On August 18, 2025, the Company completed a consolidation of its share capital based on one post-consolidation common share for every ten pre-consolidation common shares.

- On July 18, 2025, the Company completed debt settlements to improve its financial position and reduce existing liabilities. The Company issued 124,903 common shares to a creditor to settle $102,420 (US$75,000) of consulting fees payable in shares and issued an aggregate of 878,198 units to creditors to settle an aggregate of $526,918.20 of loans and payables, of which $435,043.20 was due to related parties. Each unit is comprised of one common share and one transferable warrant, with each warrant exercisable into one common share at $1.00 per share for 36 months from the date of issuance, subject to an acceleration right.

- On July 8, 2025, the Company announced positive results from its second real-world testing of REPELWRAP™ film.

- On April 24, 2025, the Company announced it entered into an IP License Agreement with Scott Smith and US BioSolutions dated April 23, 2025 to license three patent applications and a trademark in consideration for the issuance of 100,000 common shares of FendX. The common shares were subsequently issued to Mr. Smith on May 2, 2025. On April 24, 2025, the Company also announced it entered into a Supply Agreement with US BioSolutions dated April 23, 2025, for the supply of bulk rolls of Open-Cell foam which FendX will evaluate its quality and commercial potential to have processed into a line of eco-friendly sponge products. In September 2025, the Company decided to not purse the line of sponge products and terminated the Supply Agreement.

- On April 21, 2025, the Company issued 28,750 common shares pursuant to the vesting of 28,750 RSUs.

- On April 16, 2025, the Company issued 40,000 common shares with a fair value of $40,000 to a creditor to settle $68,000 of advisory fees, resulting a gain on debt settlement of $28,000.

- On March 21, 2025, the Company announced the grant of an aggregate of 292,500 stock options and 50,000 restricted share units ("RSUs") to certain directors, officers, consultants and employees. On March 24, 2025, the Company issued 50,000 common shares pursuant to the vesting of the 50,000 RSUs.

- On March 13, 2025, the Company announced it completed a closing of a non-brokered private placement raising gross proceeds of $710,005 through the issuance of 417,650 units at a price of $1.70 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 $4.00 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 $11,927.20, issued 15,796 finder units in lieu of cash, and issued 22,812 finder warrants to eligible finders.

- On March 12, 2025, the Company announced positive results from real-world testing of REPELWRAP™ film at one of its previously announced test sites.

- On March 12, 2025, the Company also announced it entered into an investor relations agreement with Outside the Box Capital Inc. (which term was extended as announced on July 7, 2025 and further extended as announced October 17, 2025) and entered into a consulting agreement with a third-party marketing firm.

LICENSE AND COLLABORATIVE RESEARCH AGREEMENTS

McMaster University

The Company entered into a license agreement with McMaster dated February 5, 2021, as amended July 14, 2021, July 15, 2022 and March 4, 2024 (the "License Agreement"), which provides the Company with an exclusive world-wide license to several patent applications, granted patents and certain technology to develop and commercialize surface coatings (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 143,500 common shares were issued at a deemed price of $0.50 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 required research contributions. (see detailed payment terms detailed below).

In addition, the Company and McMaster entered into a collaborative research agreement with an effective date of August 1, 2021 and amended on April 11, 2023 with an effective date of January 1, 2023 (the "Collaborative Research Agreement" or "CRA"). The CRA 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 Company completed its funding obligations under the CRA. Pursuant to the CRA, McMaster's proposed invoice dates and amounts were as follows: November 24, 2021 - $175,000, August 25, 2022 - $87,500, January 1, 2023 - $87,500, March 1, 2023 - $75,000, May 1, 2023 - $37,500, July 1, 2023 - $37,500, September 1, 2023 - $75,000, January 1, 2024 - $37,500 and May 1, 2024 - $37,500 (all paid). The CRA expired December 31, 2024.

The Company and McMaster entered into license agreement dated May 16, 2023, as amended July 20, 2023 (the "Nano-Coating License Agreement") which provides the Company with an exclusive world-wide license to certain technology including a U.S provisional patent application related to a bifunctional liquid nano-coating formulation (the "Nano-Coating Licensed Technology") (formerly referred to as the spray formulation). The Company also entered into a collaborative research agreement dated July 20, 2023 with McMaster with an effective date of July 1, 2023, as amended effective August 7, 2024 (the "Nano-Coating CRA", formerly the "Spray CRA") which details the R&D activities related to development of the liquid nano-coating. Pursuant to the Nano-Coating 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 Nano-Coating License Agreement); and
- maximum funding to support the development and further research on the project of $85,169 for 2023 and $168,468 for 2024. (see detailed Nano-Coating CRA payment terms detailed below)

The Nano-Coating CRA sets out the maximum payment terms upon receipt of invoices from McMaster for the research project to satisfy the research funding obligations under the Nano-Coating License Agreement. The Nano-Coating CRA expired July 1, 2025 however McMaster has continued to perform work on the New Nano-Coating to the date of this MD&A. Pursuant to the Nano-Coating CRA, McMaster will provide invoices 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 (paid)	$42,116.90
June 30, 2024 (paid)	$42,116.90
September 30, 2024 (invoice received and due April 30, 2025)	$42,116.90
June 30, 2025 (invoice not received)	$42,116.90

The Company entered into a collaborative research agreement with McMaster dated December 12, 2023 with an effective date of December 1, 2023 (the "Catheter Coating CRA"), 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 R&D 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 its provisions, with the following invoicing details:

Proposed Invoice Date	**Maximum Amount**
On signing (paid)	$37,637.00
March 1, 2024 (paid)	$37,637.00
June 1, 2024 (paid)	$37,637.00
September 1, 2024 (partially paid)	$37,637.00
December 1, 2024 (invoice received)	$37,637.00
March 1, 2025 (invoice received)	$37,637.00
June 1, 2025 (invoice received)	$37,637.00
September 1, 2025 (invoice not received)	$37,637.00

IP License Agreement

The Company entered an IP license agreement with Scott Smith and US BioSolutions dated April 23, 2025 (the "IP License Agreement") to license three patent applications and a trademark in consideration for the issuance of 100,000 common shares of the Company, which common shares are to be issued within seven (7) days of the signing of the agreement, and in accordance with CSE policies. The common shares were issued to Scott smith on May 2, 2025. The term of the IP License Agreement is perpetual and includes termination provisions.

SELECTED FINANCIAL INFORMATION

The following table sets forth selected financial information for the three and nine month periods ended September 30, 2025 and September 30, 2024. The selected financial information set out below has been derived from the Financial Statements and accompanying notes. 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 September 30, 2025 (unaudited)	Three months ended September 30, 2024 (unaudited)	Nine months ended September 30, 2025 (unaudited)	Nine months ended September 30, 2024 (unaudited)
Net loss for the period	$ (962,842)	$ (1,433,213)	$ (2,770,318)	$ (4,051,859)
Loss per share, basic and fully diluted	$ (0.11)	$ (0.19)	$ (0.35)	$ (0.59)

	As at September 30, 2025	As at December 31, 2024
Total assets	$ 336,876	$ 288,783
Total non-current liabilities	$ -	$ -
Working capital (deficit)	$ (916,595)	$ (592,252)

DISCUSSION OF OPERATIONS

Overall Operations

The Company is developing its technologies, including REPELWRAP™ film, its New Nano-Coating and its Foley Catheter Coating, as well as pursuing other technologies and products. To-date, the Company continues to advance and file new patent applications related to its technologies, including a recently filed provisional patent application for a mobile app to detect pathogens on surfaces, which is currently under development with a third party developer. The Company is also engaged in expanding its pipeline and intellectual property through the identification and assessment of acquisition and/or licensing opportunities, including signing an MOU with Aquaox in November 2025 to pursue a collaboration and supply agreement in the disinfection and cleaning market. The Company has not commercialized any products nor earned any revenues since incorporation.

As at September 30, 2025, the Company held $25,296 in cash and had current liabilities of $1,253,471 and no long-term debt. As at September 30, 2025, the Company had a working capital deficit of $916,595 (December 31, 2024 – $592,252).

R&D Project Update

Description of REPELWRAP™ Film Under Development

REPELWRAP™ film is a proprietary film technology designed to repel bacteria and viruses on high-touch surfaces, thereby reducing the risk of pathogen transmission. Unlike conventional antimicrobial coatings that require pathogens to adhere before inactivation, which can take hours, REPELWRAP™ film prevents adhesion of pathogens, offering immediate protection.

The original lab prototype of REPELWRAP™ film demonstrated significant reduction in adhesion of harmful pathogens (Imani S et al, ACS NANO, 2020, 14, 1, 454–465, ACS Appl. Mater. Interfaces 2022, 14, 11068-11077). This technology is founded on hierarchically structured 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.

Key results of the repelling properties of the original lab prototype REPELWRAP™ film compared to control surfaces include:

- over 99.99% reduction in viral titer of SARS-CoV-2 related strains (ACS Appl. Mater. Interfaces 2022, 14, 11068-11077);
- 85% reduction in biofilm formation of MRSA and P. aeruginosa (ACS Nano. 2020 Jan 28, 14 (1) 454-465);
- reduced transfer of E. coli to human skin (ACS Nano. 2020 Jan 28, 14 (1) 454-465);
- repellency of blood (ACS Nano. 2020 Jan 28, 14 (1) 454-465); and
- durable performance under physical/mechanical stress (i.e., vacuum & sonication) and chemical exposure (i.e., ethanol, bleach) (ACS Nano. 2020 Jan 28, 14 (1) 454-465).

In early 2022, the Company's work on assessing scalability led to the reformulation of the original lab prototype film to streamline the scale-up process, which reformulation demonstrated the same repelling properties to the original lab prototype film. On April 11, 2023, the Company engaged Dunmore to provide their R&D and engineering expertise to assess and scale-up the reformulated lab prototype film to create intermediate-sized prototype films. In May 2023 the Company transferred the reformulated lab prototype to Dunmore to confirm they could scale-up the prototype. After confirming feasibility, Dunmore began scale-up efforts on their commercial manufacturing equipment. Following several iterations, the Company announced on September 4, 2024, the successful completion of the scale-up phase, producing intermediate-sized films that demonstrated the repelling properties the same as the reformulated lab prototype. The Company then conducted two real-world tests confirming the film maintained its repelling properties in real-world settings. The Company is evaluating next steps for manufacturing and potential future commercialization. (See "*Risk Factors*").

Description of Liquid Nano-Coating Under Development

The original liquid nano-coating licensed from McMaster demonstrated repelling properties similar to REPELWRAP™ film, as well as demonstrated the ability to kill residual pathogens on the surface. The results included 99.99% reduction in adhesion of MRSA and 99.96% for covid-19 related virus, Phi6, compared with controls. Killing activity was measured by the reduction in colony forming units ("CFUs") on coated surfaces compared with noncoated surfaces and results showed a 99.98% reduction in the number of MRSA and P. aeruginosa CFUs. 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.

In October 2024, the Company directed McMaster to develop a new nano-coating formulation to optimize for cost-effective scale-up. This effort resulted in the development of the New Nano-Coating and the filing of a new provisional patent application on August 7, 2025 with the USPTO titled "Antimicrobial Coating for Long-Lasting Pathogen Control on High-Touch Surfaces". Pursuant to the Nano-Coating License Agreement, this patent shall be owned by the Company as it is "Funded IP". This New Nano-Coating has demonstrated promising antimicrobial properties based on lab testing at McMaster (see "*Risk Factors*").

The Company intends to advance the New Nano-Coating formulation, which is in the final stages of prototype development in McMaster's lab. Once complete, the coating will undergo third party lab testing to confirm its antimicrobial properties. Since the new formulation does not require the same level of nanoparticle engineering expertise as the original formulation, on November 11, 2025 the Company decided to terminate the master service agreement previously entered into with nanoComposix LLC, a Fortis Life Sciences company. The Company is evaluating other third-party manufacturers to support scale-up and testing of the New Nano-Coating (See "*Risk Factors*").

Description of Foley Catheter Coating Under Development

McMaster conducted early-stage research on a catheter coating using the Licensed Technology to coat plastics similar to those used in medical grade catheters. These coatings were tested with bacteria and blood to evaluate their ability to suppress bacterial biofilm formation and blood clotting, respectively. Lab tests showed that after 24-28 hours of flow exposure, a 96.5% reduction in E. coli adhesion and 95.8% reduction in formation of 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).

To date, the Company, in collaboration with McMaster, has developed a coating formulation specifically for Foley catheters, which has demonstrated promising reduction in CAUTIs. As a result of this work, a provisional patent application was filed July 7, 2005 with the USPTO titled "Lubricated Dilated Medical Catheters and Cannula and Uses Thereof". Pursuant to the License Agreement, this patent shall be owned by the Company as it is "Funded IP". Antimicrobial testing of the Foley Catheter Coating continues at McMaster. Following successful testing, the Company intends to assess the regulatory pathway to further develop the Foley Catheter Coating prototype. (See "*Risk Factors*").

R&D Project Objectives

The Company's R&D project objectives are to develop surface protection products leading to commercialization, with research and development work spanning four main categories including:

a) formulation assessment, development and testing of lab prototypes;
b) scalability assessments and testing of lab prototypes;
c) intermediate scale-up with third-party manufacturer and testing; 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 current R&D project 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 at McMaster - completed.	Completed in 2023
	Complete optimization work on reformulated lab prototype at McMaster - completed.	Completed in 2023
	Conduct pilot runs to manufacture intermediate-sized films using Dunmore's commercial manufacturing equipment – completed.	Completed in 2024
	Commence real-world performance testing. Two real-world tests completed.	Two real-world tests completed in 2024 and 2025. The Company is assessing next steps regarding the development of the film before proceeding with further real-world testing.
	Commence preparation for commercialization scale-up stage – not commenced.	Commencement dependent on successful completion of real-world testing. Costs and timing not yet determinable.
Development of liquid nano-coating formulation	Formulation assessment of original licensed technology – completed.	Completed in 2024.
	Development and testing of New Nano-Coating – prototype developed and testing underway.	Ongoing testing with estimated completion in Q4 2025 at an estimated cost of $42,000.
	Commence pilot scale-up to larger batch sizes for testing with a manufacturer. Manufacturer to be engaged and work not yet commenced.	Not yet commenced and is dependent on completion of prototype testing. Costs and timing not yet determinable.

Development of a Foley catheter coating	Development and testing of Foley Catheter Coating prototype – development of prototype completed and testing underway.	Prototype formulation work completed. Ongoing testing with anticipated completion in Q4 2025 at an estimated cost of $37,000.
	Assess regulatory pathways for further development – not commenced.	Timing dependent on completion of formulation work. Costs not yet determinable.

The Company intends to advance development of the New Nano-Coating and Foley Catheter Coating and evaluate next steps for the film, however, there can be no certainty that the Company's 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 has been reliant on McMaster to conduct R&D to advance the Foley Catheter Coating and the New Nano-Coating. The Company will be reliant on third-party manufacturers and labs to conduct further scale-up and/or testing activities should any of the technologies get to that stage. The Nano-Coating CRA expired on July 1, 2025, however the Company and McMaster continue to advance the New Nano-Coating as of the date of this MD&A.

The Company cannot at this time accurately estimate the cost of bringing the Company's current pipeline of products to market as much of the associated costs depend on various factors such as: costs to complete R&D work on its products under development; if the funding pursuant to the Nano-Coating CRA and Catheter Coating CRA will be sufficient to fund development milestones; development initiatives that result from continuing R&D work, such as reformulation, testing and optimization work; the cost of scale-up and testing activities; regulatory requirements; commercial manufacturing partnership and other supply chain agreement financial terms and distributor and licensing agreement terms, among other factors. The Company will require additional funding to complete the R&D project objectives, fund any other acquisitions or new product opportunities, including any licensing or agreements related to the AI-powered pathogen detection app and fund operations and there is no certainty the Company will be able to obtain funding on terms acceptable to the Company or at all. Further, there is no assurance that the aforementioned timelines will be met or that its project or any objective will advance to a final 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 other supply chain agreements, or any formal distribution, sales or product licensing 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 Q3 2025 results compared to Q3 2024

For the nine months ended September 30, 2025

The Company recorded a net loss of $2,770,318 for the nine-month period ended September 30, 2025 compared to a net loss of $4,051,859 for the nine-month period ended September 30, 2024. During the first nine months of 2025, the Company continued its R&D activities related to its projects and continued to investigate other new product and technology-related initiatives. The decrease in net loss for 2025 compared to 2024 was mainly due to decreased overall costs offset by increased marketing costs. The Company did not earn any revenues other than interest and other income in either 2025 or 2024.

Below is a review of expense categories and variances which contributed to the increase in net loss for the nine-month period ended September 30, 2025 compared to the nine-month period ended September 30, 2024:

- The Company incurred consulting fees of $571,426 for the nine-month period ended September 30, 2025 (2024 – $646,415). Consulting fees include general corporate, business development, financial advisory and administrative support and decreased in the nine month period ended September 30, 2025 due to the lower use of financial advisory and business development consultants in the 2025 period.

- The Company incurred directors' fees of $41,250 for the nine month period ended September 30, 2025 (2024 – $41,250).

- General and administrative expenses decreased to $29,634 for the nine month period ended September 30, 2025 (2024 – $83,078). G&A includes travel related expenses, meals and general office expenses which included accounting, insurance, bank fees, depreciation and other miscellaneous costs and were primarily lower in the nine month period ended September 30, 2025 as the Company incurred less travel.

- The Company incurred investor relations expenses of $115,004 for the nine month period ended September 30, 2025 (2024 – $1,126,199) which was lower than the comparative period due to less use of investor services providers. Investor relations expense also includes market making services, news dissemination services and conference attendance.

- Management fees decreased to $324,750 for the nine month period ended September 30, 2025 (2024 - $469,888) mainly as a result of the COO resignation in Q3 2024.

- Marketing expenses increased to $300,575 in the nine month period ended September 30, 2025 (2024 – $102,149) and reflected higher marketing, brand development expenses and market research expenses incurred in the nine month period ended September 30, 2025.

- The Company incurred professional fees of $151,807 in the nine month period ended September 30, 2025 (2024 – $286,345). Professional fees consist of: $34,299 for audit fees (2024 – $67,988); $64,933 for general and corporate related legal fees (2024 - $91,418); and intellectual property and other legal fees of $52,575 (2024 - $126,939). General and corporate legal fees were lower in the nine month period ended September 30, 2025 compared to the comparable period in 2024 due to less use of legal counsel. Intellectual property and other legal fees 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 $228,519 in the nine month period ended September 30, 2025 (2024 – $359,499). R&D expenses in the nine month period ended September 30, 2025 were comprised of $133,519 (2024 - $349,499) for research and development and related costs incurred primarily with McMaster pursuant to Nano-Coating CRA and Catheter Coating CRA, where in the comparable period in 2024 costs also included expenses related to intermediate scale-up work on REPELWRAP™ film completed by Dunmore in 2024 and for R&D expenses incurred with McMaster on the film. R&D for the 2025 period also included $10,000 for the annual royalty fee paid pursuant to the License Agreement (2024 - $10,000) and $85,000 paid through the issuance of 100,000 common shares pursuant to the IP License Agreement.

- The Company incurred salary and benefits expenses of $86,010 in the nine-month period ended September 30, 2025 (2024 – $87,408).

- The Company incurred share-based payment expense of $494,100 in the nine-month period ended September 30, 2025 (2024 – $710,010) related to options and RSUs granted during the periods.

- The Company incurred $43,233 in the nine-month period ended September 30, 2025 (2024 – $41,213) for transfer agent, listing and filing fees.

- During the nine-month period ended September 30, 2025, the Company recorded other income including interest income of $1,030 in (2024 – $10,410), recognized a foreign exchange gain of $7,954 (2024 – loss of $11,315), and a loss on debt settlements totalling $505,417 related to several debt settlements where the Company issued an aggregate of 164,903 common shares and 878,198 units to settle accounts payable and loans totalling $697,338 (2024 – loss of $97,500). The 2024 debt settlement loss related to the issuance of an aggregate of 100,000 shares to settle $212,500 of debt. The Company also recorded income of $112,423 (2024 - $nil) related to a 2024 scientific research and experimental development ("SR&ED") tax credit received.

For the three months ended September 30, 2025

The Company recorded a net loss of $962,842 for the three-month period ended September 30, 2025 ("Q3 2025") compared to a net loss of $1,433,213 for the three-month period ended September 30, 2024 ("Q3 2024"). During Q3 2025, the Company continued its R&D activities related to its projects and pursued new product and IP-related initiatives. The decrease in net loss for Q3 2025 compared to Q3 2024 was mainly due to decreased overall costs offset by increased marketing costs. The Company did not earn any revenues other than interest and other income in either Q3 2025 or Q3 2024.

Below is a review of expense categories and variances which contributed to the increase in net loss for Q3 2025 compared to Q3 2024:

- The Company incurred consulting fees of $160,457 for Q3 2025 (Q3 2024 – $126,649). Consulting fees include general corporate, business development, financial advisory and administrative support and increased in Q3 2025 due to the engagement of financial advisory and business development consultants.

- The Company incurred directors' fees of $13,750 for Q3 2025 (Q3 2024 – $13,750).

- General and administrative expenses decreased to $10,079 for Q3 2025 (Q3 2024 – $20,299). G&A includes travel related expenses, meals and general office expenses which included accounting, insurance, bank fees, depreciation and other miscellaneous costs and were lower in Q3 2025 mainly due to less travel expenses.

- The Company incurred investor relations expenses of $45,075 for Q3 2025 (Q3 2024 – $276,796) which was lower than the comparative period due to less use of investor services providers. Investor relations expense also includes market making services, news dissemination services and conference attendance.

- Management fees decreased to $98,000 in Q3 2025 (Q3 2024 - $121,297) mainly as a result of the COO resignation in Q3 2024.

- Marketing expenses decreased to $6,318 in Q3 2025 (Q3 2024 – $20,025).

- The Company incurred professional fees of $81,719 in Q3 2025 (Q3 2024 – $52,661). Professional fees consist of: $11,250 for audit fees (Q3 2024 – $17,500); $28,964 for general and corporate related legal fees (Q3 2024 - $16,764); and intellectual property and other legal fees of $41,505 (Q3 2024 - $18,397). Intellectual property and other legal fees related to patent applications, operational contract reviews and reimbursements to McMaster for patent applications and filings.

- The Company incurred R&D expenses of $31,184 in Q3 2025 (Q3 2024 – $88,205). R&D expenses for Q3 2025 was comprised of $31,184 for R&D costs primarily incurred at McMaster. Q3 2024 expenses related to R&D and related costs incurred primarily with McMaster and for scale-up work related to REPELWRAP™ film.

- The Company incurred salary and benefits expenses of $28,038 in Q3 2025 (Q3 2024 – $26,693).

- The Company incurred lower share-based payment expenses of $50,021 in Q3 2025 (Q3 2024 – $674,999) due to stock options and RSUs granted in Q3 2024.

- The Company incurred $15,711 of transfer agent, listing and filing fees in Q3 2025 (Q3 2024 – $14,827).

- The Company recorded other income including interest income of $1,019 in Q3 2025 (Q3 2024 – $1,217), recognized a foreign exchange loss of $2,515 in in Q3 2025 (Q3 2024 –$229) and a loss on debt settlements of $533,417 related to the July 18, 2025 debt settlement transactions where the Company issued an aggregate of 124,903 shares and 878,198 units to settle an aggregate of $629,338 in debt (Q3 2024 – nil). In Q3 2025 the Company also recorded income of $112,423 (2024 - $nil) related to a 2024 SR&ED tax credit received by the Company.

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
Q3/25	September 30, 2025	$ -	$ 962,842	$ (0.11)	8,816,613
Q2/25	June 30, 2025	$ -	$ 780,426	$ (0.10)	7,951,890
Q1/25	March 31, 2025	$ -	$ 1,027,050	$ (0.14)	7,442,235
Q4/24	December 31, 2024	$ -	$ 575,262	$ (0.08)	7,340,852
Q3/24	September 30, 2024	$ -	$ 1,433,213	$ (0.19)	7,322,778
Q2/24	June 30, 2024	$ -	$ 1,508,771	$ (0.21)	7,158,188
Q1/24	March 31, 2024	$ -	$ 1,109,875	$ (0.19)	5,774,484
Q4/23	December 31, 2023	$ -	$ 1,213,420	$ (0.20)	5,304,534
Q3/23	September 30, 2023	$ -	$ 812,699	$ (0.16)	5,227,885

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. Overall expenses are expected to increase over the next year relative to historical spending due to the expected increased operations of the Company, subject to receipt of funding.

USE OF PROCEEDS

The following is a tabular comparison of the use of available funds disclosed for the private placement transactions completed during the nine-month period ended September 30, 2025 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 Raised	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
Private placement, closed March 13, 2025	Total: $710,005	Advance the Company's R&D projects, and for working capital and general corporate purposes, including marketing and investor relations.	To September 30, 2025, $710,005 was used towards advancing the Company's R&D projects, working capital and general corporate purposes, including marketing and investor relations.	No

LIQUIDITY AND CAPITAL RESOURCES

Since inception the Company has devoted its resources to securing intellectual property rights, furthering its research and development of its products under development, performing scale-up work, establishing personnel and processes required to execute its business plan and obtain a public listing and raise capital. This has resulted in an accumulated deficit of $14,292,802 as at September 30, 2025. With no income from operations, losses are expected to continue while the Company's R&D programs are advanced or it achieves revenue from product sales.

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 R&D activities and overall operations is dependent upon the Company's ability to successfully finance and complete its research and development programs, successfully test, scale-up and commercialize its products under development, including entering into manufacturing, license and distribution agreements and/or acquire or develop new products. 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.

As at September 30, 2025, the Company had a working capital deficit of $916,595 compared to $592,252 as of December 31, 2024. The Company has relied upon equity financings and loans to finance its operations and meet its capital requirements. The Company manages its 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 its ability to continue as a going concern and have a sufficient capital base to sustain and grow its overall operations such that it can provide returns for shareholders. The Company faces numerous risks and uncertainties, many of which are beyond its control, related to the successful 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, other supply chain and distribution and/or licensing partners. (See "*Risk Factors*").

Summary of cash flows

	Nine months ended September 30, 2025	Nine months ended September 30, 2024	Change
Cash used in operating activities	$ (941,708)	$ (2,977,592)	$ 2,035,884
Cash provided by financing activities	$ 923,078	$ 2,828,378	$ (1,905,300)
Net increase/(decrease) in cash	$ (18,630)	$ (149,214	$ (130,584)

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 $941,708 for the nine months ended September 30, 2025 from $2,977,592 for the comparable period in 2024. This decrease is primarily due to a decrease in its net loss and higher non-cash expenses during 2025 compared to the comparable 2024 period.

Cash provided by financing activities decreased to $923,078 for 2025 compared to $2,828,378 for the nine months ended September 30, 2024. In Q1 2025, the Company completed a non-brokered private placement raising gross proceeds of $710,005 and incurred $11,927 for cash finders fees, and received loan proceeds of $225,000. In the nine-month period ended September 30, 2024, the Company completed three closings of its non-brokered private placement raising gross proceeds of $2,025,000, incurred $40,400 for cash finders fees, received loan proceeds of $51,698 and received $792,080 from warrant exercises.

The Company funded operations during the nine months ended September 30, 2025 and September 30, 2024 through the net proceeds of securities issued and loans. 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. 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 operating expenses associated with supporting its activities. It is expected that negative cash flow from operations will continue until such time, if ever, that the Company commercializes any products and achieves sales from any such products should they exceed its expenses. (See "*Risk Factors*").

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. On August 18, 2025, the Company consolidated its share capital based on one post-consolidation common share for every ten pre-consolidation common shares. All common share and per-share amounts have been restated to reflect the share consolidation.

	Number Outstanding as of November 28, 2025	Number Outstanding as of December 31, 2024
Common Shares issued and outstanding	9,001,969	7,344,838
Options	941,667	574,167
Restricted share units	28,750	59,334
Warrants	2,308,348	1,679,400
Broker and compensation warrants	158,448	216,032

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 2, 2027	$ 4.00	262,500
March 25, 2027	$ 4.00	487,500
May 8, 2027	$ 4.00	262,500
March 13, 2028	$ 4.00	417,650
July 18, 2028	$ 1.00	878,198
		2,308,348

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

Expiry Date	Exercise Price	Number Outstanding
February 2, 2027	$ 2.00	21,000
February 2, 2027	$ 4.00	17,000
March 25, 2027	$ 2.00	28,820
March 25, 2027	$ 4.00	12,620
May 8, 2027	$ 2.00	20,200
May 8, 2027	$ 4.00	20,200
March 13, 2028	$ 1.70	22,812
March 13, 2028	$ 4.00	15,796
		158,448

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	$	1.50	84,167	84,167
December 24, 2027	$	3.00	30,000	30,000
January 24, 2028	$	3.00	130,000	130,000
July 18, 2029	$	2.90	330,000	247,500
March 21, 2030	$	1.70	292,500	292,500
July 3, 2026	$	1.70	75,000	75,000
			941,667	859,167

Restricted Share Units

As at the date of this MD&A, the Company has 28,750 restricted share units ("RSUs") outstanding (December 31, 2024 – 59,334). On July 18, 2024, the Company granted an aggregate of 115,000 RSUs to two officers and a consultant which vest as to 50% on the grant date and 25% on each of the dates that is 9 and 18 months from the date of grant. On July 23, 2024, the Company granted 5,500 RSUs to a consultant that vested as to 1/3 on each of August 19, 2024, September 19, 2024 and October 18, 2024. On December 17, 2024, the Company granted 5,500 RSUs to a consultant that vest as to 1,833 RSUs on December 17, 2024, 1,833 RSUs on December 20, 2024 and 1,834 RSUs on January 18, 2025. On March 21, 2025, the Company granted 50,000 RSUs to a consultant that vested on the grant date.

Bonus Shares

On June 19, 2021 the Company entered into agreements with each of the two Lead Researchers related to work on the Licensed Technology under the CRA. Pursuant to the agreements, each of the two Lead Researchers may be entitled to receive up to 207,500 common shares (the "Bonus Shares") should certain milestones related to the development of the Licensed Technology under the CRA be achieved. As at September 30, 2025 and December 31, 2024 no Bonus Shares have been issued. The Company has not recognized any share-based payment expense in connection with these Bonus Shares as the CRA, which set out the development work related to the milestones, expired as of December 31, 2024 and no milestones were met.

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 September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
	$	$	$	$
Directors' fees [(1),(6)]	13,750	13,750	41,250	41,250
Management fees [(2),(3),(4),(6)]	98,000	121,297	324,750	469,888
Share based payment [(5)]	31,153	531,777	333,663	559,731
Total	142,903	666,824	699,663	1,070,869

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 and nine month periods ended September 30, 2025, Stephen Randall incurred director fees of $7,500 and $22,500 (2024 - $$7,500 and $22,500) and Pierre Soulard incurred directors fees of $6,250 and $18,750 (2024 - $6,250 and $18,750). An aggregate of $68,750 in outstanding directors' fees for Messrs. Randall and Soulard was included in accounts payable and accrued liabilities as at September 30, 2025 (December 31, 2024 - $27,500).

(2) BioEnsemble LLC ("BioEnsemble"), a company controlled by Dr. Carolyn Myers, the Company's Chief Executive Officer ("CEO") and President, charges 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 and nine month periods ended September 30, 2025, BioEnsemble earned $60,000 and $180,000 (2024- $60,000 and $180,000) in management consulting fees. As at September 30, 2025, fees of $180,000 were owing to BioEnsemble and $1,911 was owing to the CEO for expenses (December 31, 2024 $160,000 and $21,592 respectively). As at September 30, 2025, the Company also owed $75,000 to the CEO pursuant to non-interest bearing loans (December 31, 2024 - $78,656). During Q3 2025, $160,000 of management consulting fees owed to BioEnsemble and $227,043 of loans payable due to the CEO were converted into equity at $0.60 per unit pursuant to debt settlement transactions.

(3) The Company's former COO was engaged pursuant to an employment contract until her resignation effective August 30, 2024. During the three and nine month periods ended September 30, 2024, the Company's former COO earned an aggregate of $50,453 and $85,763 respectively (2025 - $nil and $nil).

(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 Corporate Secretary, 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 and nine month periods ended September 30, 2025, RCF earned an aggregate of $38,000 and $144,750 in management consulting fees and bonuses (2024 - $43,000 and $185,828). As at September 30, 2025 $180,278 was owing to RCF (December 31, 2024 - $110,320). During Q3 2025 $48,000 owed to RCF was converted into equity at $0.60 per unit pursuant to a debt settlement transaction.

(5) On March 21, 2025, the Company granted an aggregate of 230,000 share purchase options to directors and officers, with an exercise price of $1.70 per share with an expiry date of five (5) years from the date of grant. On July 18, 2024, the Company granted an aggregate of 345,000 share purchase options to directors and officers, with an exercise price of $2.90 per share with an expiry date of five (5) years from the date of grant and granted an aggregate of 75,000 RSUs to two officers. On January 24, 2023, the Company granted an aggregate of 115,000 share purchase options to directors and officers with an exercise price of $3.00 per share with an expiry date of five (5) years from the date of grant. During the three and nine month periods ended September 30, 2025, share based payments related to options and RSUs granted to the key management personnel amounted to $31,153 and $333,663 respectively (2024 - $531,777 and $559,731).

(6) All amounts incurred by key management personnel.

Loans payable as at September 30, 2025 is comprised of funds loaned from the CEO to the Company of $75,000 (December 31, 2024 – $78,656) pursuant to a loan agreement, as amended. The loans are non-interest bearing, are due on demand and have no formal terms of repayment. Included in accounts payable and accrued liabilities at September 30, 2025, were amounts totaling $430,939 (December 31, 2024 - $319,412) due to related parties. Subsequent to September 30, 2025, the CEO entered into an amended loan agreement with the Company and advanced further loans of $120,000 to the Company which loans are unsecured, non-interest bearing and have no fixed term of repayment.

SEGMENTED INFORMATION

The Company operates in one reportable segment, involving the research and development of its technologies and products under development. 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 September 30, 2025 include cash, accounts payable and loan 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. 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 September 30, 2025, the balance of the allowance account for credit losses was $nil (December 31, 2024 - $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 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 $710,005 from the closing of a private placement in Q1 2025, there can be no assurance of continued access to significant equity funding. As at September 30, 2025, the Company had a working capital deficit of $916,595 (December 31, 2024 –$592,252). As at September 30, 2025, the Company's financial liabilities were comprised of accounts payable, accrued liabilities and loans payable totaling $1,253,471.

[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 September 30, 2025, the Company held GICs of $nil (December 31, 2024 - $nil).

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.

The Company incurs liabilities and had assets 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 $4,639 (December 31, 2024 - $528) on the Company's results of financial position based on the Company's net exposure as at September 30, 2025.

[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 nine-month period ended September 30, 2025 or year ended December 31, 2024.

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.

iii. The cost of equity-settled transactions, such as stock options or warrants, is determined by calculating the fair value at the date when the equity award is granted or issued using the Black-Scholes Option Pricing Model. The inputs to the Black-Scholes Option Pricing Model require significant estimation. Expected volatility is estimated based on historical stock price observations of the Company's common shares and comparable companies. The risk-free interest rate for the expected term of the award is based on the yields of government bond. The Company uses historic data to estimate the timing of option exercises and forfeiture rates, which may not be representative of future results. Changes in these assumptions, especially the volatility and he expected life determination, could have a material impact on the statement of loss and comprehensive loss.

CHANGES IN ACCOUNTING POLICIES

There were no new accounting policies adopted during the period ended September 30, 2025.

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, the New Nano-Coating, Foley Catheter Coating and other products under development, if required by any jurisdiction. Our film, New Nano-Coating and Foley Catheter Coating product candidates are in the early stages of formulation and reformulation and have not yet been commercially scaled-up or tested. Completing final scale-up and testing and receiving any required regulatory approval for these 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, or FDA or EPA approvals in the United States 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, the United States 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 is reliant on a third-party developer to create and maintain the AI-powered application.

The Company is currently working with a third-party developer to create an AI-powered application designed to detect pathogens on surfaces but has not entered into any development agreement. The Company will be dependent on this developer to successfully design, implement, and maintain the application and enter into a license or other such agreement with the Company which will allow the Company to launch and utilize the application. If the developer fails to deliver the application on time or according to required specifications, or if an acceptable license or other such agreement cannot be entered into, the Company's ability to launch and commercialize the application could be materially adversely affected. Additionally, reliance on a third-party developer introduces risks related to data security and ongoing technical support. Any disruption in the developer's operations, financial stability, or willingness to continue the engagement could result in delays, increased costs, or termination of the project. There is no certainty a license agreement will be successfully negotiated or signed with the third-party developer. These factors could negatively impact the Company's growth strategy, reputation, and financial performance.

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 Nano-Coating Licensed Technology should the Company not be able to meet its commitments pursuant to the License Agreement, Nano-Coating License Agreement, Catheter Coating CRA or the Nano-Coating CRA. The Company's short operating history and limited historical financial statement information does not provide investors with as much data to evaluate the strengths and weaknesses of the Company as would a company with a longer history and financial track record.

Execution of Business Plan

The execution of the Company's business plan poses many challenges and is based on a number of assumptions. The Company may not be able to successfully execute its business plan. If the Company experiences significant cost overruns on its R&D programs, or if its business plan is more costly than it anticipates, certain research and development activities or new product opportunities may be delayed or eliminated, resulting in changes or delays to its commercialization plans, or the Company may be compelled to secure additional funding (which may or may not be available) to execute its business plan. The Company cannot predict with certainty its future revenues or results from its operations. If the assumptions on which its revenues or expenditures forecasts are based change, the benefits of the Company's business plan may change as well. In addition, the Company may expand its business beyond its current operations and what is currently contemplated in its business plan. Depending on the financing requirements of a potential acquisition or new product opportunity, the Company may be required to raise additional capital through the issuance of equity or debt. If the Company is unable to raise additional capital on acceptable terms, it may be unable to pursue potential acquisitions or new product opportunities.

Currently, the Company has no history of profitable operations. As such, the Company is subject to many risks including under-capitalization, cash shortages, and limitations with respect to personnel, financial, and other resources.

Negative Cash Flow

The Company had negative operating cash flow as at September 30, 2025 and December 31, 2024, 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 or any future products, including a proposed mobile app. 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. Even if the Company becomes profitable, there can be no assurances that such profitability can be sustained in either the short or long term.

Growth Management

The Company has a limited operating history and its business and prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stages of development. There can be no assurance that the Company will be successful in addressing these risks. In addition, future growth may require the Company to expand its human resources and to further develop and improve its operational, financial, management and compliance systems as well as its reporting controls and procedures.

If the Company cannot achieve any of these objectives to manage its growth effectively, its business, operations, operating results, financial condition and prospects will be adversely affected.

Investment in our research and development efforts, or evaluation of other new products, may not provide a sufficient, timely return on investment.

The development of new products is a costly, complex and time-consuming process, and the investment in product development and marketing often involves a prolonged time until a return is achieved on such an investment. We have made, and will continue to make, significant investments in R&D and related product opportunities. Investments in new products are inherently speculative and risky. Commercial success depends on many factors including the degree

of innovation of the products developed, sufficient support from our strategic partners, and effective sales, distribution and marketing. Accelerated product introductions and short product life cycles require high levels of expenditures for new development. These expenditures may adversely affect our operating results if they are not sufficiently offset by revenue increases. We believe that we must continue to dedicate a significant amount of resources to our development efforts in order to maintain our competitive position. However, significant revenue from new product and technology investments may not be achieved for a prolonged period of time, if at all. Moreover, new products and technologies may not be profitable.

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 and commercial launch, 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, technical 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, Nano-Coating License Agreement, Catheter Coating CRA and Nano-Coating CRA and maintain these agreements in good standing.

The Company has been granted exclusive licenses to the Licensed Technology and the Nano-Coating Licensed Technology pursuant to the License Agreement and Nano-Coating License Agreement respectively. The Company's rights and obligations are outlined in each of the License Agreement and Nano-Coating License Agreement. Each of the license agreements requires the Company to complete certain conditions and milestones. Failure to complete any conditions or milestones could allow McMaster to terminate either license agreement. Both the License Agreement and Nano-Coating License Agreement may also be terminated by McMaster if certain other conditions occur. Under the Catheter Coating CRA and Nano-Coating CRA, the Company is obligated to make certain payments to McMaster, and the Catheter Coating CRA or Nano-Coating CRA could be terminated by McMaster if the Company breaches the respective agreement. The Nano-Coating CRA term expiry date was July 1, 2025 although McMaster has continued to perform work on the New Nano-Coating after the expiry date. If the Company's relationship with McMaster were to terminate, the Company would not be able to distribute and commercialize any Licensed Products developed pursuant to these agreements 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 any Licensed Product, 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, Nano-Coating License Agreement, Catheter Coating CRA and Nano-Coating CRA.

Pursuant to the License Agreement and Nano-Coating License Agreement, McMaster is, among other things, involved in the ongoing research and development activities being conducted on the Licensed Technology and Nano-Coating Licensed Technology, respectively. Pursuant to the Catheter Coating CRA and the Nano-Coating CRA, McMaster has agreed to conduct research and development work on behalf of the Company on the respective research projects, 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 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 the sponsored research and development work. 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, Nano-Coating License Agreement, the Catheter Coating CRA or the Nano-Coating 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 a 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 New Nano-Coating technology.

Given the early stage of development of both REPELWRAP™ film and the New Nano-Coating formulation, the Company can make no assurance that it can develop viable intermediate size prototype films or liquid coating formulations for commercial scale-up and/or meet certain product specifications including high repel rates of pathogens or demonstrate long-term durability and stability. The Company has not yet engaged a manufacturer for scale-up development of the Company's New Nano-Coating technology to advance this formulation and perform, scale-up work and there is no guarantee that a manufacturer will be engaged or that once engaged, this development work will be successful. Even if work is successful, there is no guarantee the development work by either Dunmore or any other company that may be engaged, for the film and New Nano-Coating 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, fail real-world 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 and product evaluation activities may not be successful.

Given the early stage of product development, the Company can make no assurance that its current and future research and development programs, including evaluation of potential new products or the AI-powered pathogen detection app being developed by a third-party developer, 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 research and development programs 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 or future

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, including results of real-world testing, or fails to produce test results that demonstrate similar efficacy as any initial testing by McMaster as applicable, 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 required the Company and other third party partners to fulfil certain cash and work commitments. The Company's ability to fulfil its obligations pursuant to any future grants will depend 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 its third-party partners serviced their obligations pursuant to the NSERC Grant. Failure by third parties 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, suppliers, manufacturers, distributors, licensors and others.

The Company has no history of manufacturing, distribution, licensing or sales. The Company's success will be dependent upon its ability to enter into sales, distribution and or licensing 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/or licensing partners and manufacturers to sell and manufacture its products, respectively. To date, the Company has not entered into any formal sales, distribution, licensing or manufacturing agreements for any of its current products under development.

The Company may seek to engage third-party distribution partners to sell any products that it may commercialize, however, it may be unable to enter into agreements with third parties to market and sell future products, including the AI-powered pathogen detection app upon successful final product production, for commercialization within and outside of Canada. If the Company is successful in entering into a sales, distribution or license 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, the New Nano-Coating or Foley Catheter Coating if approved, or any other product for which the Company develops, acquires or licenses 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 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 or supply chain 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 products are fully developed and ready for sale.

The Company plans to negotiate one or more supply chain agreements with third parties to manufacture future products, including 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, if required. 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.

There is no certainty that the Company will be successful in entering into definitive agreements related to its letter of intent signed with Sinelabs. There is also no certainty that the Company will be successful in entering into a license or other such agreement with the developer of the AI-powered mobile application, should they be successful in developing this application, nor is there any certainty that the Company will be successful in entering into a formal collaboration and supply agreement with Aquaox pursuant to the MOU.

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, Should the Company be successful in developing a Foley Catheter Coating, a New Nano-Coating, or other new products which require regulatory approvals, 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, may vary by 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. 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. Although the Company believes its products will not require FDA or EPA approval to supply products or license its intellectual property in the United States, there is no assurance that the FDA or EPA or any other body will require the Company to obtain any license for sales into markets they regulate. 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 current or any future product candidates, our success is dependent upon each product's acceptance in the market.

The Company's product candidate REPELWRAP™ film is in the intermediate 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 guarantee that the developer will be able to develop a finished AI-powered pathogen detection app and license such app to FendX for commercialization and launch. There is no assurance that broad successful commercial applications may be feasible for the Company for any product. The Company is continuing to explore, develop, and test its current product candidates and explore new product opportunities, 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, household and entertainment industries 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 or acquire 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 conflicts in the middle East 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 R&D programs or new product acquisitions. 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 related to any acquisitions or new products) 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, Nano-Coating License Agreement and IP 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 Nano-Coating License Agreement and any new products or technologies the Company may acquire or license in the future. 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 Nano-Coating License Agreement and any future intellectual property acquired or licensed, 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.

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 are issued 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 its product candidates or other products or its proposed mobile app, all of which would have a material adverse effect on the Company's business, results of operations and financial condition.

The Company may not successfully advance patent applications from intellectual property developed pursuant to the License Agreement or Nano-Coating License Agreement.

Pursuant to the License Agreement and Nano-Coating License Agreement, new inventions arising from the sponsored research and development work, including "Created IP" and "Funded IP" shall be owned by the Company, unless the License Agreement or Nano-Coating License Agreement is terminated by McMaster if certain other conditions occur. There is no certainty that the Company will be able to advance provisional or non-provisional patents related to any of the Licensed IP, Created IP or Funded IP, 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 current 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 its other partners 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 but not limited to:

- 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 and vesting of RSUs. 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 are 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

Increased uncertainty in the global economy caused by the threat or imposition of tariffs could negatively impact our operations.

On April 2, 2025, U.S. President Donald Trump announced via executive order a new tariff regime for its global trading partners. For Canada, the tariff regime remained largely as it had been in March 2025: a blanket 25% tariff on all exports to the U.S., except those compliant with the existing USMCA agreement. Energy and potash will be tariffed at a lower 10% rate, while a 25% tariff on Canadian steel and aluminum remains in place.

The eventuality, timing and rates of potential US tariffs, the countries on which they are levied and the responses from such countries are difficult to predict at this time, however, any US tariffs are likely to be met with retaliatory tariffs and a multi-country trade war against the US could develop. We do not export products to the US and would not be directly impacted by the imposition of new tariffs on goods imported into the US. However, the economic impact of tariffs or a broader trade war on the Canadian economy, the US economy and the global economy could negatively impact capital markets, commodity prices and our ability to raise funds to undertake capital expenditures.

A Canada-US or a broader trade war also has the potential to adversely impact global supply chains and make supplies that we require more expensive, harder to obtain or unavailable. Scarcity in the global supply chain would likely increase the cost of supplies required generally, which could impair our ability to operate. The indirect effects of tariffs imposed by the US or by counter tariffs in response are difficult to assess, but the potential for tariffs represents a risk and may adversely affect our business, financial condition and results of operations.

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 its products, including acquisition or licensing of new products or technologies. 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.