

FORM 5
QUARTERLY LISTING STATEMENT

For the Period ending January 31, 2024

Name of CNSX Issuer: **CANNABIX TECHNOLOGIES INC.** (the "Issuer").

Trading Symbol: **BLO**

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities Act*, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the CNSX Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the CNSX.ca website.

General Instructions

- (a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) The term "Issuer" includes the CNSX Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Please See Unaudited Interim Financial Statement for the most recent Quarter available under **CSE FILINGS** at <https://thecse.com/en/listings/technology/cannabix-technologies-inc> and is attached to this Form 5 Quarterly Listing Statement in Appendix "A".

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. Related party transactions

Please see Note 6 contained in the enclosed Unaudited Interim Financial Statements (Appendix A) for the most recent Quarter available under **CSE FILINGS** at <https://thecse.com/en/listings/technology/cannabix-technologies-inc>

Additional information:

- (a) During the quarter ended January 31, 2024, the Company incurred consulting fees of \$42,000 (2023 - \$42,000) to the Chief Executive Officer of the Company.

- (b) During the quarter ended January 31, 2024, the Company incurred consulting fees of \$37,500 (2023 - \$37,500) to the Chief Financial Officer of the Company.
- (c) During the quarter ended January 31, 2024, the Company incurred consulting fees of \$22,500 (2023 - \$42,000) to a company controlled by the President of the Company.
- (d) During the quarter ended January 31, 2024, the Company incurred research and development costs of \$37,500 (2023 - \$37,500) to a director of the Company.

2. Summary of securities issued and options granted during the period.

(a) Summary of securities issued during the period

Please see Note 9 contained in the Unaudited Interim Financial Statements (enclosed in Appendix A) or see the most recent Quarter available under **CSE FILINGS** at <https://thecse.com/en/listings/technology/cannabix-technologies-inc>

Additional Information:

During the nine-month period ended January 31, 2024, the Company granted 2,675,000 (2023 – nil) stock options. The total fair value of stock options recognized, including stock options granted and vested, during the nine-month period ended January 31, 2024 was \$521,225 (2023 - \$73,449), which was recorded as share-based payment reserve and charged to operations. The weighted average fair value of the stock options granted during the nine-month period ended January 31, 2024 was \$0.20 (2023 - \$nil) per option. There were no stock options exercised during the quarters ended January 31, 2024 and January 31, 2023.

(b) Summary of Options granted during the period

During the period ended January 31, 2024, the Company granted nil stock options.

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

Authorized Capital stock:

Unlimited common shares, no par value

Shares

Issued and outstanding - common shares

Balance, January 31, 2024

114,144,104

Incentive Stock Options:

The Company had 9,700,000 stock options outstanding as at January 31, 2024 which had the following characteristics:

Number of Options	Exercise Price \$	Expiry Date
1,845,000	0.80	September 23, 2024
1,500,000	0.50	May 11, 2025
3,680,000	0.55	December 30, 2026
575,000	0.45	October 3, 2025
2,100,000	0.35	October 3, 2028

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

Name of Director/Officer	Position with Issuer
Ravinder Mlait	CEO, Director
Rajpaul Attariwala	Director
Bryan Loree	CFO, Director
Kulwant Malhi	President, Director
Thomas Clarke	Director

SCHEDULE C: MANAGEMENT, DISCUSSION AND ANALYSIS

Please See Management, Discussion and Analysis for the period ended January 31, 2024 available under **CSE FILINGS** at <https://thecse.com/en/listings/technology/cannabix-technologies-inc> and is attached to this Form 5 Quarterly Listing Statement in Appendix "A".

Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated March 18 2024

Rav Mlait

Name of Director/Senior Officer

"Rav Mlait"

Signature

CEO

Official Capacity

Issuer Details		
Name of Issuer Cannabix Technologies Inc.	For Quarter Ended January 31, 2024	Date of Report 2024/03/18
Issuer Address 501 - 3292 Production Way		
City/Province/Postal Code Burnaby, BC, V5A 4R4	Issuer Fax No. 604-676-276 7	Issuer Telephone No. 604-551-783 1
Contact Name Rav Mlait	Contact Position CEO	Contact Telephone No. 604-551- 783 1
info@cannabixtechnologies. com		www. cannabixtechnologies.com

Appendix "A"

Financial Statements

And

Management's Discussion & Analysis

For the period ended January 31, 2024, as filed with securities regulatory authorities.

CANNABIX TECHNOLOGIES INC.

Interim Financial Statements

(Unaudited)

January 31, 2024

(Expressed in Canadian dollars)

UNAUDITED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited interim financial statements for the nine months ended January 31, 2024.

CANNABIX TECHNOLOGIES INC.

Statements of financial position
(Expressed in Canadian dollars)

	January 31, 2024 \$	April 30, 2023 \$
Assets		
Current assets		
Cash and cash equivalents	5,021,957	6,469,937
Amounts receivable	40,009	49,201
Prepaid expenses and deposits	53,837	67,439
Total current assets	5,115,803	6,586,577
Non-current assets		
Restricted cash	46,000	46,000
Equipment (Note 3)	192,820	189,696
Right-of-use asset (Note 4)	38,051	124,337
Total non-current assets	276,871	360,033
Total assets	5,392,674	6,946,610
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	62,617	104,628
Current portion of lease liability (Note 5)	44,406	121,009
Total current liabilities	107,023	225,637
Non-current liabilities		
Lease liability	62,617	104,628
Total liabilities	107,023	237,169
Shareholders' equity		
Share capital (Note 7)	33,266,637	33,266,637
Share-based payment reserve	8,285,194	7,763,969
Deficit	(36,266,180)	(34,321,165)
Total shareholders' equity	5,285,651	6,709,441
Total liabilities and shareholders' equity	5,392,674	6,946,610

Nature of operations and continuance of business (Note 1)

Approved and authorized for issuance on behalf of the Board of Directors on March 18, 2024:

/s/ Ravinder Mlait

Ravinder Mlait, Director

/s/ Bryan Loree

Bryan Loree, Director

(The accompanying notes are an integral part of these financial statements)

CANNABIX TECHNOLOGIES INC.

Statements of operations and comprehensive loss

(Expressed in Canadian dollars)

	Three months ended January 31, 2024 \$	Three months ended January 31, 2023 \$	Nine months ended January 31, 2024 \$	Nine months ended January 31, 2023 \$
Revenue	—	—	—	—
Operating expenses				
Research & Development	302,256	319,898	927,530	969,268
Consulting fees (Note 6)	106,496	125,217	318,588	375,972
Advertising & promotion	1,881	1,709	8,641	58,985
Insurance	2,576	6,449	10,597	20,735
Office and miscellaneous	10,288	10,364	40,809	27,486
Professional fees	34,756	5,352	63,362	35,176
Rent	2,526	32,094	5,383	97,793
Transfer agent & filing fees	(11,247)	5,674	58,956	69,415
Travel	2,008	5,676	21,475	26,617
Stock-based compensation (Note 9)	—	210,301	521,225	210,301
Depreciation	37,775	7,601	112,312	22,564
Total operating expenses	489,315	730,335	2,088,878	1,914,312
Net loss before other income	(489,315)	(730,335)	(2,088,878)	(1,914,312)
Other income				
Interest Income	42,524	46,947	143,863	116,663
Net loss and comprehensive loss	(446,791)	(683,388)	(1,945,015)	(1,797,649)
Loss per share, basic and diluted	—	—	(0.02)	(0.01)
Weighted average shares outstanding	114,144,104	114,144,104	114,144,104	114,144,104

(The accompanying notes are an integral part of these financial statements)

CANNABIX TECHNOLOGIES INC.

Statements of changes in equity
(Expressed in Canadian dollars)

	Share capital		Share	Contributed		Total
	Number of	Amount	subscriptions	surplus	Deficit	shareholders'
	Shares	\$	receivable	\$	\$	equity
			\$			\$
Balance, April 30, 2022	114,144,104	33,266,637	(135,000)	7,690,520	(32,183,049)	8,639,108
Fair value of stock options vested				210,301		210,301
Shares subscriptions received	–	–	67,000	–	–	67,000
Net loss	–	–	–	–	(1,797,649)	(1,797,649)
Balance, January 31, 2023	114,144,104	33,266,637	(68,000)	7,900,821	(33,980,698)	7,118,760
Balance, April 30, 2023	114,144,104	33,266,637	–	7,763,969	(34,321,165)	6,709,441
Fair value of stock options granted & vested	–	–	–	521,225	–	521,225
Net loss	–	–	–	–	(1,945,015)	(1,945,015)
Balance, January 31, 2024	114,144,104	33,266,637	–	8,285,194	(36,266,180)	5,285,651

(The accompanying notes are an integral part of these financial statements)

CANNABIX TECHNOLOGIES INC.

Statements of cash flows
(Expressed in Canadian dollars)

	Three months ended January 31, 2024 \$	Three months ended January 31, 2023 \$	Nine months ended January 31, 2024 \$	Nine months ended January 31, 2023 \$
Operating activities				
Net loss	(446,791)	(683,388)	(1,945,015)	(1,797,649)
Item not involving cash:				
Share-based compensation	–	210,301	521,225	210,301
Depreciation	37,775	7,601	112,312	22,564
Changes in non-cash operating working capital:				
Amounts receivable	(20,045)	72,257	9,192	27,889
Accounts payable and accrued liabilities	(55,123)	12,669	(42,011)	17,592
Prepaid expenses and deposits	5,580	494	13,602	(31,917)
Net cash used in operating activities	(478,604)	(380,066)	(1,330,695)	(1,551,220)
Investing activities				
Equipment acquisition costs	–	–	(29,149)	(28,649)
Net cash used in investing activities	–	–	(29,149)	(28,649)
Financing activities				
Lease payments	(31,872)	–	(88,136)	–
Subscription receivable	–	30,000	–	67,000
Net cash provided by financing activities	(31,872)	30,000	(88,136)	67,000
Change in cash	(510,476)	(350,066)	(1,447,980)	(1,512,869)
Cash, beginning of period	5,532,433	7,291,354	6,469,937	8,454,157
Cash, end of period	5,021,957	6,941,288	5,021,957	6,941,288
Cash and cash equivalents is comprised of:				
Cash held in bank	4,521,957	6,441,288	4,521,957	6,441,288
Cashable Guaranteed Investment Certificates	500,000	500,000	500,000	500,000
Total cash and cash equivalents	5,021,957	6,941,288	5,021,957	6,941,288

(The accompanying notes are an integral part of these financial statements)

CANNABIX TECHNOLOGIES INC.

Notes to the financial statements (Unaudited)

January 31, 2024

(Expressed in Canadian dollars)

1. Nature of Operations and Continuance of Business

Cannabix Technologies Inc. (the "Company") is a public company listed on the Canadian Securities Exchange ("CSE") and trades under the symbol 'BLO'. The Company was incorporated on April 5, 2011 under the BC Business Corporations Act as West Point Resources Inc. and on August 12, 2014 the name of the Company was changed. The Company's corporate office is located at 501 – 3292 Production Way, Burnaby, BC.

The Company's primary business is the development of its marijuana breathalyzer technologies through research and development activities and licencing of certain technologies. There can be no assurance that the Company will be able to produce a product that is technically and commercially feasible.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at January 31, 2024, the Company has no source of revenue, generates negative cash flows from operating activities, and has an accumulated deficit of \$36,266,180. These factors form a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The continued operations of the Company are dependent on its ability to generate future cash flows from operations or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Significant Accounting Policies

(a) Statement of Compliance and Basis of Presentation

These condensed interim financial statements are prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting under International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). These condensed interim financial statements follow the same accounting policies and methods of application as the Company's most recent annual financial statements but do not contain all of the information required for full annual financial statements. Accordingly, these condensed interim financial statements should be read in conjunction with the Company's most recent annual financial statements, which were prepared in accordance with IFRS as issued by the IASB.

These financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value as explained in Note 2(h). The financial statements are presented in Canadian dollars, which is the Company's functional currency.

(b) Use of Estimates and Judgments

The preparation of these financial statements in conformity with IFRS requires the Company's management to make judgments, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Significant areas requiring the use of estimates include the useful life and recoverability of equipment, assessment of incremental borrowing rate related to the recognition of lease liability, fair value of share-based payments, and unrecognized deferred income tax assets.

CANNABIX TECHNOLOGIES INC.

Notes to the financial statements (Unaudited)

January 31, 2024

(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(b) Use of Estimates and Judgments (continued)

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

(c) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

(d) Intangible Assets

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses. Acquired intangible assets with indefinite useful lives are stated at cost and are not amortized.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal.

(e) Property and Equipment

Property and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced. Repairs and maintenance costs are charged to the statement of operations during the period in which they are incurred.

Depreciation of property and equipment is provided using the straight-line method at the following rates approximating their estimated useful lives:

Equipment	10 years
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(f) Impairment of Non-Financial Assets

At each reporting date, the Company assesses whether there are indicators of impairment for its non-financial assets. If indicators exist, the Company determines if the recoverable amount of the asset or CGU is greater than its carrying amount. A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets. The Company has used geographical proximity, geological similarities, analysis of shared infrastructure, commodity type, assessment of exposure to market risks and materiality to define its CGUs.

If the carrying amount exceeds the recoverable amount, the asset or CGU is recorded at its recoverable amount with the reduction recognized in the statement of operations. The recoverable amount is the greater of the value in use or fair value less costs to sell. Fair value is the amount the asset could be sold for in an arm's length transaction. The value in use is the present value of the estimated future cash flows of the asset from its continued use. The fair value less costs to sell considers the continued development of a property and market transactions in a valuation model.

Impairments are reversed in subsequent periods when there has been an increase in the recoverable amount of a previously impaired asset or CGU and these reversals are recognized in the statement of operations. The recovery is limited to the original carrying amount less depreciation, if any, that would have been recorded had the asset not been impaired.

CANNABIX TECHNOLOGIES INC.

Notes to the financial statements (Unaudited)

January 31, 2024

(Expressed in Canadian dollars)

(g) Research and Development Costs

Research costs are charged to operations as incurred. Research costs consist primarily of consulting expenses and parts related to the design, testing, and manufacture of the Cannabix marijuana breathalyzer. Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalized only if development costs can be measured reliably, the product is technically and commercially feasible, future economic benefits are probable, and the Company intends to or has sufficient resources to complete development and to use or sell the asset. The expenditure capitalized includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use, and borrowing costs on qualifying assets. Other development expenditure is recognized in the statement of operations as incurred.

(h) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the respective instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are included in the initial carrying value of the related instrument and are amortized using the effective interest method. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the statement of operations.

Fair value estimates are made at the statement of financial position date based on relevant market information and information about the financial instrument. All financial instruments are classified into either: fair value through profit or loss ("FVTPL") or amortized cost.

The Company has made the following classifications:

Cash and cash equivalents	Amortized cost
Restricted cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Lease liability	Amortized cost

Financial Assets

The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at FVTPL

Financial assets are classified as FVTPL when the financial asset is either held for trading or it is designated as FVTPL. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at amortized cost

Financial assets at amortized cost are non-derivative financial assets which are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Subsequent to initial recognition, financial assets are measured at amortized cost using the effective interest method, less any impairment.

CANNABIX TECHNOLOGIES INC.

Notes to the financial statements (Unaudited)

January 31, 2024

(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(h) Financial Instruments (continued)

Impairment of financial assets

Financial assets, other than those classified as FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been decreased.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are offset against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statement of operations. Loss allowances are based on the lifetime ECL's that result from all possible default events over the expected life of the trade receivable, using the simplified approach.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the statement of operations to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial Liabilities and Equity Instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized as the proceeds received, net of direct issuance costs.

Other financial liabilities

Other financial liabilities (including loans and borrowings and trade payables and other liabilities) are initially measured at fair value, net of transaction costs. Subsequently, other financial liabilities are measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

CANNABIX TECHNOLOGIES INC.

Notes to the financial statements (Unaudited)

January 31, 2024

(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(i) Foreign Currency Translation

The functional and reporting currency is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Revenue and expenses are translated at average rates for the periods. Foreign exchange gains and losses are included in the statement of operations.

(j) Provisions

Provisions for legal claims and obligations are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

(k) Income Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(l) Share-based Payments

The grant date fair value of share-based payment awards granted to employees is recognized as stock-based compensation expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

CANNABIX TECHNOLOGIES INC.

Notes to the financial statements (Unaudited)

January 31, 2024

(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(l) Share-based payments (continued)

All equity-settled share-based payments are reflected in share-based payment reserve, unless exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid.

(m) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset over a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether it has the right to obtain substantially all of the economic benefits from the use of the asset during the term of the contract and it has the right to direct the use of the asset.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. The right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted by the interest rate implicit in the lease or, if that rate cannot be readily determined the incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest method. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments, and amounts expected to be payable at the end of the lease term.

The Company does not recognize the right-of-use assets and lease liabilities for short-term leases that have a lease term of twelve months or less. The lease payments associated with these leases are charged directly to the statement of operations on a straight-line basis over the lease term.

(n) Loss Per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all "in the money" stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive. As at January 31, 2024, the Company had 9,700,000 (2023 – 7,025,000) potentially dilutive shares outstanding.

(o) Comprehensive Loss

Comprehensive loss is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in the statement of operations. For the periods ended January 31, 2024 and 2023, the Company did not have any transactions impacting comprehensive income (loss).

(p) Accounting Standards Issued But Not Yet Effective

The Company has implemented all new accounting pronouncements that are in effect and that may impact its financial statements and does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

CANNABIX TECHNOLOGIES INC.

Notes to the financial statements (Unaudited)

January 31, 2024

(Expressed in Canadian dollars)

3. Equipment

	Equipment \$
Cost:	
Balance, April 30, 2022	307,879
Additions	28,649
Balance, January 31, 2023 & April 30, 2023	336,528
Additions	29,149
Balance, January 31, 2024	365,677
Accumulated depreciation:	
Balance, April 30, 2022	116,190
Additions	22,564
Balance, January 31, 2023	138,754
Additions	8,078
Balance, April 30, 2023	146,832
Additions	26,025
Balance, January 31, 2024	172,857
Carrying amounts:	
As at April 30, 2022	191,689
January 31, 2023	197,774
As at April 30, 2023	189,696
As at January 31, 2024	192,820

4. Right-of Use Asset

Right-of-use asset is comprised of the following:

	Premises \$
Cost:	
Balance, April 30, 2022	—
Additions	219,981
Balance, January 31, 2023, April 30, 2023 & January 31, 2024	219,981
Accumulated depreciation:	
Balance, April 30, 2022 and January 31, 2023	—
Additions	95,644
Balance, April 30, 2023	95,644
Additions	86,286
Balance, January 31, 2024	181,930
Carrying amounts:	
As at April 30, 2022	—
As at January 31, 2023	219,981
As at April 30, 2023	124,337
As at January 31, 2024	38,051

CANNABIX TECHNOLOGIES INC.

Notes to the financial statements (Unaudited)

January 31, 2024

(Expressed in Canadian dollars)

5. Lease Liability

On May 2, 2022, the Company entered into a premises lease which gives the Company the right to use an underlying asset starting on June 1, 2022 for a 2 year term. The Company's obligation to make lease payments arising from the lease is calculated by discounting the fixed lease payments over the lease term at the Company's incremental borrowing rate. The incremental borrowing rate used in the calculation was 25%.

	2024 \$	2023 \$
Balance, beginning of period	132,541	–
Additions	–	219,981
Principal payments	(106,014)	–
Interest payments	17,879	–
Balance, end of period	44,406	219,981
Less: current portion	44,406	89,807
Non-current portion	–	130,174

6. Related Party Transactions

- (a) During the quarter ended January 31, 2024, the Company incurred consulting fees of \$42,000 (2023 - \$42,000) to the Chief Executive Officer of the Company.
- (b) During the quarter ended January 31, 2024, the Company incurred consulting fees of \$37,500 (2023 - \$37,500) to the Chief Financial Officer of the Company.
- (c) During the quarter ended January 31, 2024, the Company incurred consulting fees of \$22,500 (2023 - \$42,000) to a company controlled by the President of the Company.
- (d) During the quarter ended January 31, 2024, the Company incurred research and development costs of \$37,500 (2023 - \$37,500) to a director of the Company.

7. Share Capital

Authorized: Unlimited number of common shares without par value:

There were no share transactions for the nine-month periods ended January 31, 2024 and January 31, 2023.

8. Share Purchase Warrants

The following table summarizes the continuity of share purchase warrants:

	Number of warrants	Weighted average exercise price \$
Balance, April 30, 2022	1,681,500	1.60
Expired	(1,681,500)	1.60
Balance, January 31, 2023, April 30, 2023 & January 31, 2024	–	–

As at January 31, 2024, there were no share purchase warrants outstanding.

CANNABIX TECHNOLOGIES INC.

Notes to the financial statements (Unaudited)

January 31, 2024

(Expressed in Canadian dollars)

9. Stock Options

The Company has adopted a stock option plan pursuant to which options may be granted to directors, officers, employees and consultants of the Company to a maximum of 10% of the issued and outstanding common shares. The aggregate number of options granted to any one optionee in a one year period is limited to 5% of the issued shares of the corporation. The exercise price of each option is set by the Board of Directors at the time of grant. Options vest immediately when granted and can have a maximum term of ten years.

The following table summarizes the continuity of the Company's stock options:

	Number of stock options	Weighted average exercise price \$
Outstanding, April 30, 2022	7,610,000	0.62
Expired	(585,000)	0.81
Outstanding, January 31, 2023 & April 30, 2023	7,025,000	0.60
Granted	2,675,000	0.37
Outstanding, January 31, 2024	9,700,000	0.54

Additional information regarding stock options outstanding as at January 31, 2024, is as follows:

Exercise price \$	Number of stock options	Outstanding		Number of stock options	Weighted average exercise price \$
		Weighted average remaining contractual life (years)	Weighted average exercise price \$		
0.50	1,500,000	1.6	0.50	1,500,000	0.50
0.55	3,680,000	3.2	0.55	3,680,000	0.55
0.80	1,845,000	0.7	0.80	1,845,000	0.80
0.45	575,000	1.7	0.45	172,500	0.45
0.35	2,100,000	4.7	0.35	2,100,000	0.35
	9,700,000	2.7	0.54	9,297,500	0.54

The fair value for stock options granted have been estimated using the Black-Scholes option pricing model assuming no expected dividends or forfeitures and the following weighted average assumptions:

	2024	2023
Risk-free interest rate	4.93%	1.26%
Expected life (in years)	5	5
Expected volatility	90%	106%

During the nine-month period ended January 31, 2024, the Company granted 2,675,000 (2023 – nil) stock options. The total fair value of stock options recognized, including stock options granted and vested, during the nine-month period ended January 31, 2024 was \$521,225 (2023 - \$73,449), which was recorded as share-based payment reserve and charged to operations. The weighted average fair value of the stock options granted during the nine-month period ended January 31, 2024 was \$0.20 (2023 - \$nil) per option. There were no stock options exercised during the quarters ended January 31, 2024 and January 31, 2023.

CANNABIX TECHNOLOGIES INC.

Notes to the financial statements (Unaudited)

January 31, 2024

(Expressed in Canadian dollars)

10. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and cash equivalents, and equity comprised of issued share capital, share subscriptions receivable, and contributed surplus.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended April 30, 2023.

11. Financial Instruments and Risks

(a) Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which include cash and cash equivalents, restricted cash, accounts payable and accrued liabilities, and lease liability, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents and amounts receivable. The Company limits its exposure to credit loss by placing its cash and cash equivalents with high credit quality financial institutions. Amounts receivable consists of GST receivable due from the Government of Canada and accrued interest receivable due on guaranteed investment certificates held at a financial institution. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate Risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. Foreign exchange risk arises from purchase transactions. As at January 31, 2024 and 2023, the Company is not exposed to significant currency risk as it did not have material assets or liabilities held in currencies other than its functional currency.

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as it does not have any liabilities with variable rates.

CANNABIX TECHNOLOGIES INC.

Notes to the financial statements (Unaudited)

January 31, 2024

(Expressed in Canadian dollars)

11. Financial Instruments and Risks (continued)**(e) Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash and cash equivalents. The ability to do this relies on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

The following amounts are the contractual maturities of financial liabilities as at January 31, 2024 and 2023:

2024	Total \$	Within 1 year \$	Within 2-5 years \$
Accounts payable and accrued liabilities	62,617	62,617	—
Lease liability	44,406	44,406	—
2023	Total \$	Within 1 year \$	Within 2-5 years \$
Accounts payable and accrued liabilities	138,429	138,429	—



Cannabix Technologies Inc.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FINANCIAL QUARTER ENDED JANUARY 31, 2024

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited financial statements and notes thereto for the period ended January 31, 2024 of Cannabix Technologies Inc. (the "Company"). Such financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

All dollar amounts are expressed in Canadian dollars unless otherwise indicated.

DATE

This MD&A is prepared as of March 18, 2024

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this report are forward-looking statements, which reflect our management's expectations regarding our future growth, results of operations, performance and business prospects and opportunities including statements related to the development of marijuana breathalyzer technology and contactless alcohol breathalyzer technology, availability of financing and projected costs and expenses. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of the date of this report. These assumptions, which include management's current expectations, estimates and assumptions about its marijuana breathalyzer technology development, contactless alcohol breathalyzer technology development, the global economic environment, the market for marijuana breathalyzers and our ability to manage our technology development, property interests and operating costs, may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) inability to develop an effective marijuana breathalyzer (3) delays in technology development (4) industry competition (5) the uncertainty of government regulation, no guarantee of patent acceptance by regulator authorities (6) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, (7) inability to finance (8) other factors beyond our control.

There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risk Factors" below.

DESCRIPTION OF BUSINESS

The Company was incorporated under the laws of the province of British Columbia on April 5, 2011. The Company completed an initial public offering to list on the TSX Venture Exchange on December 16, 2013 under the symbol "WPO". Effective June 26, 2014, the Company delisted from the TSXV and listed on the Canadian Securities Exchange ("CSE") under the symbol BLO. Previously, the Company was in the mineral acquisition and exploration business and held ownership in one mineral exploration property located in Quebec, Canada. Currently, the Company's primary business is the development of marijuana breathalyzer technology. On August 12, 2014, the Company completed a name change from West Point Resources Inc. to Cannabix Technologies Inc. For further details, please see the Amended and Restated Final Prospectus of the Company dated September 26, 2013 which is available on SEDAR at www.sedar.com

BREATHALYZER TECHNOLOGY DEVELOPMENT

Overview

Cannabix Technologies is developing new technologies to detect Tetrahydrocannabinol (known as “THC”- the psychoactive component of marijuana that causes impairment) in breath samples for law enforcement, employers and laboratories. In addition, Cannabix is developing novel “non-contact” alcohol screening devices targeted primarily for workplace settings.

MS Breath Sampler (MSBS) & Breath Collection Unit (THC detection)

The MSBS is specialized laboratory hardware developed by Cannabix to confirm THC in breath from humans. The MSBS is mounted (coupled) to a mass spectrometer (typically an LCMS) and sample is analyzed using existing MS/MS methods with no sample preparation needed.

The MSBS is a novel method for efficient collection of analytes of low volatility from human breath utilizing liquid secondary adsorption. The concept has demonstrated efficient capturing and releasing of THC. This novel method uses the breath aerosol as a carrier of solid and viscous liquid particle analytes as well as a secondary adsorbent to prevent sample loss from droplet surface contact and deposition. R&D efforts are focused on improving collection efficiency of MSBS and Breath Collection Unit sampling method to make it comparable or better results relative to conventional LCMS forensic methods.

Breath samples are collected portably with a Breath Collection Unit (BCU). Within the BCU, the sample is captured inside a cartridge and loaded into the MSBS. In preliminary testing, the system has detected and confirmed THC in breath out to 4 hours after smoking with breath samples being stored and analyzed up to two days after sample collection. The Company is currently developing a standard operating procedure (SOP) for the MSBS. For R&D purposes the MSBS hardware is currently installed at its Burnaby, BC laboratory, Florida laboratory and at the North Louisiana Criminalistics Laboratory (NLCL). Furthermore, the Company is in discussions with other parties who are interested in validating, testing and developing an SOP with the MSBS hardware with the objective of creating a commercially viable laboratory hardware system, that utilizes the portable Breath Collection Unit. Together the MSBS and BCU provide a solution for analyte detection in breath. The Company has filed patent applications related to its BCU technology (See “Additional Patent Applications”).

Contactless Alcohol Breathalyzer Devices (Alcohol detection)

The Company is developing a Contactless Alcohol Breathalyzer (“CAB”) wall mounted device for workplace (SMEs) and other user settings where fast, easy, reliable alcohol in breath screen is needed. The CAB technology has thus far been developed as a wall mounted version and an in-vehicle cabin version. The CAB “workplace series” (currently under development) is a fully automated breath alcohol screening system for employee, contractor and visitor access control. CAB is self-administered, non-invasive and has both non-contact and direct straw modes. The CAB is engineered for rapid and repeatable high-volume screening in various employment settings. The device can provide BAC results on its screen within a few seconds after a sample is delivered. The device is cloud-connected and can deliver real time BAC results via portal, email and SMS. Furthermore, the device can help identify users by taking a picture when a breath sample is being delivered to the device.

For the vehicle version, the CAB allows for a driver to direct a breath sample towards a small orifice integrated into the cabin of a vehicle – in a completely contactless manner. The Company is exploring how the CAB platform may allow for the development for other applications for detection of VOCs. The Company has filed a patent application for its CAB technology (See “Additional Patent Applications”). This kind of technology holds potential to be integrated with interlock systems and be used in various settings including automotive, heavy-duty equipment, heavy transport vehicles, watercraft and motorbikes. The Company is seeking a partner to advance the vehicle CAB technology.

The Company is currently pilot testing an early version of its workplace CAB with Montana based Friedel, LLC and has begun efforts to build a commercial workplace CAB unit for electronic and alcohol certification.

FAIMS technology (THC and other analyte detection)

The Company is developing technology to detect THC in breath using high-field asymmetric waveform ion mobility spectrometry known as “FAIMS” and FAIMS-mass spectrometer systems (FAIMS-MS). The objective is to develop a point of care (portable) THC breath screening device using FAIMS technology.

FAIMS is specialized ion filtering technology centered on a “FAIMS cell” and specialized electronics. Currently the Company is characterizing its FAIMS cell and supporting electronics to establish repeatable results, improve resolving power and separation capability. Among many things, the Company is also developing a novel “detector” technology that would confirm specific ions (like THC) that have been filtered through the FAIMS cell, delivering a confirmation signal. The characterization work is being conducted using a bench version of the FAIMS instrumentation. The “FAIMS cell” and supporting electronics and hardware are at the prototype development stage.

University of Florida Licence Agreement

On August 6, 2015, the Company entered into research and patent option agreements with the University of Florida to develop a marijuana breath detection device based upon high-field ion mobility (FAIMS) and mass spectrometry (MS). On July 25, 2016 (amended on March 6, 2018 and August 26, 2019, March 16, 2021) completed a definitive license and equity agreement with the University of Florida Research Foundation (UFRF) for US Patent 8,237,118, entitled “Partial Ovoidal FAIMS Electrode”, Patent filed on August 21, 2008, invented by Richard A. Yost, Todd A. Prox, Marilyn Prieto and Jennifer G. Bryant, in the area of breath analysis of controlled substances. The agreement provides Cannabix exclusive worldwide rights in the area of breath analysis of controlled substances. Pursuant to the terms of the licence agreement, the company has been granted the licence for a period of 10 years after the first commercial sale of a licensed product (with an option to extend for additional five-year terms). As consideration for the patent licence, the company has issued UFRF 603,870 common shares of the company. Commencing in 2017, an annual license maintenance fee of US\$2,000 would be paid by the Company and every year thereafter until the first commercial sale. In addition, the company will pay an annual licence maintenance fee and will make payments upon meeting certain development, regulatory and commercialization milestones. Upon commencement of commercial production, the Company will pay a royalty between 2% and 4% on all net sales.

On March 6, 2018 the Company entered into a second license agreement with the UFRF for Patent Cooperation Treaty (“PCT”) application, “Device and Method for Detection of Cannabis and Other Controlled Substances Using FAIMS” (PCT/CA2017/000042), and amended on August 26, 2019 (Licence Agreement #A17886). Effective March 15, 2021, the Company terminated Licence Agreement #A17886.

Cannabis Drug Detection Device Patent

On January 12, 2021 the United States Patent and Trademark Office (USPTO) granted patent No. 10,888,249 (originally filed as provisional applications 61/981,650 and 14/689434) entitled, “Cannabis Drug Detection Device” to the Company.

On June 15, 2021, the Canadian Intellectual Property Office (CIPO) granted patent No. 2887841 entitled, “Cannabis Drug Detection Device”.

As a requirement under the license agreement between the Company and Cannabix Breathalyzer Inc. entered into on June 5, 2014, Company issued 5 million common shares to Cannabix Breathalyzer Inc. as a final milestone payment, triggered by the grant of patent 10,888,249 by the USPTO.

Agreement with Cannabix Breathalyzer Inc.

On June 5, 2014, the Company and Cannabix Breathalyzer Inc (a private company) entered into a definitive license (“Definitive Agreement”) which provides the Company exclusive right, title, and interest in United States Patent Application Serial No. 61/981,650 (“Licensed Patent”) and its foreign counterpart (Canadian Intellectual Property Office Patent Application No. 2887841) from Cannabix Breathalyzer Inc. The Definitive Agreement defined the Licensed Patent as the *claims derived from United States Patent Application Serial No. 61/981,650 and any patent*

issued in the future from any reissue, reexamination, divisional, continuation and/or continuation-in-part of the Licensed Patents, including any foreign counterpart thereof and additional terms.

US non-provisional patent application no. 14/689,434 was filed April 17, 2015 (Cannabis Drug Detection Device) claiming priority from the prior provisional application... In consideration for the Licensed Patent, the Company issued 7,500,000 common shares to current shareholders of Cannabix Breathalyzer Inc. and issued 7,500,000 warrants exercisable at \$0.075 (fully exercised by the expiry date on June 26, 2015) to Cannabix Breathalyzer Inc. Additional milestone share payments were required by the Definitive Agreement and have been paid. On July 28, 2016, Breathalyzer assigned its entire right, title and interest in and to the US (14/689,434) and Canadian (No. 2887841) patent applications to Cannabix through a written assignment.

Milestone payments

The Definitive Agreement outlined share payments upon reaching the following milestones: The issuance of 7,500,000 of common shares of the Company within 14 business days of prototype delivery to the Company and this prototype was received and shares were issued on April 9, 2015. Upon receipt of the final patent, the Company would issue 5,000,000 common shares of the Company. On January 12, 2021 the USPTO granted patent No. 10,888,249 (based on application No. 14/689434) to the Company and the final milestone shares were issued to the licensor on January 13, 2021.

Patent History

US non-provisional patent application no. 14/689,434 was filed April 17, 2015 claiming priority from the prior provisional application. The US application was published on October 29, 2015. Assignment of the application from the inventors to Cannabix Breathalyzer was recorded in the US Patent Office on June 4, 2015. Assignment of the application from Cannabix Breathalyzer Inc. to Cannabix Technologies Inc. was recorded in the US Patent Office on August 23, 2016. Corresponding Canadian patent application No. 2887841 was filed April 16, 2015, also claiming priority from the prior provisional application, and an assignment of the application from Cannabix Breathalyzer Inc. to Cannabix Technologies Inc. was also recorded with the Canadian Intellectual Property Office on August 23, 2016. The Company has received several office actions and comments from Canadian and US Patent and Trademark Offices since its initial filing. On January 12, 2021 the USPTO granted patent No. 10,888,249 entitled, "Cannabis Drug Detection Device" to the Company. The Company has issued response as of January 2, 2020, to address objections raised by the Canadian Intellectual Property Office (CIPO) in an Examiner's Report issued July 3, 2019. New office actions were issued by Canadian authorities on March 17, 2020 and April 9, 2020, respectively, and a response to the objections raised in those office actions was filed on October 7, 2020. On June 15, 2021, the CIPO granted patent No. 2887841 entitled, "*Cannabis Drug Detection Device*".

University of British Columbia Licence Agreement

On September 20, 2019, the Company entered into Licence Agreement related to microfluidic technology developed at the University of British Columbia ("UBC"). The Licence Agreement covers Canadian (2947079) and U.S. patent (15/800,679) applications for "Apparatus for Volatile Organic Compound (VOC) Detection" filed on November 1, 2016. UBC has granted the Company a worldwide exclusive license, in the field of use for the detection of human consumption of illegal or controlled substances by means of human breath analysis.

The term of the Licence Agreement is 20 years or until the expiry of the last patent licensed under the agreement. The Company paid a \$10,000 licence fee representing reimbursement to UBC of a portion of out-of-pocket costs and expenses incurred by UBC in connection with the patents. The Company agreed to reimburse UBC for all out-of-pocket fees, costs and expenses incurred in connection with the patents. The Licence Agreement included a royalty payment to UBC equal to 5% of the revenue generated from the licenced technology. The Licence Agreement required the Company to spend a minimum of \$100,000 per year on the development and marketing of licenced technology until the end of the first fiscal year that the Company achieves a minimum of \$300,000 of revenue from the licensed technology. Effective October 14, 2022 the Company terminated Licence Agreement with UBC (termination signed by both parties on January 5 ,2023).

Additional Patent Applications

The Company has filed additional patent applications in relation to its technology, some of which are in pending status, and is contemplating further patent filings to protect additional technological advances.

Additional non-provisional patent applications directed at technological advancements related to its FAIMS (field asymmetric waveform ion mobility spectrometry) based marijuana breathalyzer technology for the detection of cannabis from breath samples has also been filed, and the technology protected by this application extends to the detection of other molecules by FAIMS as well. On August 17, 2021, the USPTO has granted patent No. 11092569 (Application number 17/019728) entitled, "Apparatus and Methods for Detection of Molecules" to the Company. This patent is centered on innovations made by Cannabix with its FAIMS technology. A corresponding application is also pending in Canada.

The company has also filed two additional provisional patent applications in 2022, one directed to a contactless alcohol breathalyzer detection system and one directed to a novel apparatus and method for capturing non-volatile and semi-volatile substances from breath. Corresponding Patent Cooperation Treaty international applications have been filed in 2023 for the contactless breath analysis system and the novel apparatus and method for capturing non-volatile and semi-volatile substances from breath, and a new provisional patent application directed to a sampler for delivering analytes obtained from breath has been filed in 2023.

There is no assurance that pending patent applications will be accepted and granted by regulatory authorities.

ALCOHOL DETECTION TECHNOLOGY

During the year ended April 30, 2023, the Company developed a Contactless Alcohol Breathalyzer ("CAB") proof of concept prototype device. The CAB is a wall mounted device for workplace (SMEs) and other user settings where fast, easy, reliable alcohol in breath screen is needed. The CAB technology has thus far been developed as a wall mounted version and an in-vehicle cabin version. The CAB "workplace series" is a fully automated breath alcohol screening system for employee, contractor and visitor access control. CAB is self-administered, non-invasive and has both non-contact and direct straw modes. The CAB is engineered for rapid and repeatable high-volume screening in various employment settings. The device can provide BAC results on its screen within a few seconds after a sample is delivered. The device is cloud-connected and can deliver real time BAC results via portal, email and SMS. Furthermore, the device can help identify users by taking a picture when a breath sample is being delivered to the device. The Company is currently pilot testing an early version of its workplace CAB and has begun efforts to build a commercial workplace CAB unit for electronic and alcohol certification.

OVERALL PERFORMANCE

The Company was incorporated on April 5, 2011. As an early-stage technology development company, the Company has not generated revenues to date from the development its marijuana breathalyzer or alcohol breathalyzer technologies and anticipates that it will continue to require equity financing to fund operations until such time a commercial product is developed and generates revenues on a profitable basis. The Company is focused on technology development and management anticipates that expenses will increase during the foreseeable future as the Company carries out prototype development of the marijuana and alcohol breathalyzers and eventually initiates research and testing studies on such products. The Company has incurred costs in connection with the technology development business, as well as exploration programs related to its past mineral exploration projects. Net loss for the quarter ended January 31, 2024 was \$446,791 compared to \$683,388 for the quarter ended January 31, 2023. At January 31, 2024, the Company has an accumulated deficit of \$36,266,180.

RESULTS OF OPERATIONS

Three-month period ended January 31, 2024

During the three-month period ended January 31, 2024, the Company incurred expenses of \$489,315 compared to \$730,335 for the three-month period ended January 31, 2023. Expenses were comprised of primarily research and development costs of \$302,256 for the period ended January 31, 2024 compared to \$319,898 for the period ended January 31, 2023, which was related to the continuous development of the marijuana breathalyzer, contactless alcohol breathalyzer and other detection technologies. Consulting fees were \$106,496 for the quarter ended January 31, 2024 compared to \$125,217 for the quarter ended January 31, 2023, which was slightly lower due to a decrease in consulting fees to Officers and Directors. Advertising and promotion expenses were \$1,881 in 2024 compared to \$1,709 in 2023. Professional fees (legal & Accounting) for the quarter ended January 31, 2024, were \$34,756, compared to \$5,352 for the quarter ended January 31, 2023, which was significantly higher in 2024 due to legal fees, primarily related to patent filings. An adjustment was made to transfer agent and filing fees during the quarter ended January 31, 2024, which was due to prepaid AGM related expenses being allocated in the previous quarter. Transfer agent and filing fees for the quarter ended January 31, 2023 were \$5,674. Insurance costs for the quarter ended January 31, 2024, were \$2,576 compared to \$6,449 for the quarter ended January 31, 2023, which was lower in 2024 due to the timing of insurance premiums. Travel related expenses were \$2,008 during the three-month period ended January 31, 2024 compared to \$5,676 in 2023. Office and miscellaneous expenses were \$10,288 for the period ended January 31, 2024 compared to \$10,364 for the period ended January 31, 2023. Rent expense was \$2,526 for the quarter ended January 31, 2024 compared to \$32,094 for the quarter ended January 31, 2023, which was significantly lower in 2024 due to accounting policies surrounding IFRS 16, Leases, whereas the right-of-use asset is amortized and included in depreciation expenses. The Company recorded depreciation of \$37,775 for the quarter ended January 31, 2024, which included \$28,968 related to the right-of-use asset and \$8,807 related to lab equipment. Depreciation for the quarter ended January 31, 2023 was \$7,601, which was only related to lab equipment. Share-based payments of \$nil (2023 - \$210,301) was recognized as the fair value of nil (2023 - 560,000) vested stock options during the quarter ended January 31, 2023, which were originally granted December 30, 2021.

Interest income for the quarter ended January 31, 2024 was \$42,524 compared to \$46,947 for the quarter ended January 31, 2023, which was slightly higher in 2023 due to the Company having a higher balance in its savings accounts. Interest expense related to the accretion of the lease liability was \$ 4,177 during the three-month period ended January 31, 2024, compared to \$nil during the three-month period ended January 31, 2023, and was included within office and miscellaneous expenses. Net loss for the three-month period ended January 31, 2024 was \$446,791, compared to a net loss of \$683,388 for the three-month period ended January 31, 2023.

Nine-month period ended January 31, 2024

During the nine-month period ended January 31, 2024, the Company incurred expenses of \$2,088,878 compared to \$1,914,312 for the nine-month period ended January 31, 2023. Expenses were comprised of primarily research and development costs, which were \$927,530 for the nine months ended January 31, 2024 compared to \$969,268 for the nine-month period ended January 31, 2023, which were all related to technology development. These expenditures included consultants, materials, and testing. Consulting fees were \$318,588 for the nine-month period ended January 31, 2024 compared to \$375,972 for the nine-month period ended January 31, 2023, which was slightly lower in 2024 due to a decrease in consulting fees to Officers and Directors. Advertising and promotion expenses were \$8,641 for the nine-month period ended January 31, 2024 compared to \$58,985 in 2023, which was higher in 2023 due to the Company entering into advertising campaigns during the period ended January 31, 2023. Professional fees (legal & Accounting) for the nine-month period ending January 31, 2024, were \$63,362, compared to \$35,176 for the nine-month period ended January 31, 2023. Legal fees were substantially higher in 2024 as a result of patent filings and maintenance. Transfer agent and filing fees were \$58,956 in 2024 compared to \$69,415 for same period in 2023. Travel related expenses were \$21,475 compared to \$26,617 in 2023. Rent expense was \$5,383 for the nine-month period ended January 31, 2024 compared to \$97,793 for the nine-month period ended January 31, 2023, which was significantly lower in 2024 due to accounting policies surrounding IFRS 16, Leases, whereas the right-of-use asset is amortized and included in depreciation expenses. The right-of-use asset is the leased premises in Burnaby, BC and rent expense is related to the lab space in Gainesville, FL. The Company recorded depreciation of \$112,312 for the nine months ended January 31, 2024, which included \$86,287 related to the right-of-use asset and \$26,025 related to lab equipment. Depreciation for the nine months ended January 31, 2023 was \$22,564, which was only related to lab equipment. Share-based payments of \$521,225 (2023 - \$210,301) was recognized as the fair value of 2,692,500 granted and vested stock options during the nine-month period ended January 31, 2024, compared to 560,000 vested stock options during the nine-month period ended January 31, 2023. 2,675,000 stock options were granted during the nine-month period ended January 31, 2024, of which 2,272,500 vested immediately. 420,000 additional stock option vested during the nine-month period ended January 31, 2024, which were originally granted December 30, 2021.

Interest income from GICs and savings accounts for the nine-month period ended January 31, 2024 was \$143,863 compared to \$116,663 for the same period in 2023, which was higher in 2024 due to an increase in interest rates. Net loss for the nine-month period ended January 31, 2024 was \$1,945,015, compared to a net loss of \$1,797,649 for the six-month period ended January 31, 2023.

SUMMARY OF QUARTERLY RESULTS

The following is a summary of the Company's financial results for the eight most recently completed quarters:

	Quarter Ended January 31, 2024 \$	Quarter Ended October 31, 2023 \$	Quarter Ended July 31, 2023 \$	Quarter Ended April 30, 2023 \$	Quarter Ended January 31, 2023 \$	Quarter Ended October 31, 2022 \$	Quarter Ended July 31, 2022 \$	Quarter Ended April 30, 2022 \$
	1/31/2024	10/31/2023	7/31/2023	4/30/2023	1/31/2023	10/31/2022	7/31/2022	4/30/2022
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net loss	(446,791)	(920,433)	(577,791)	(340,467)	(683,388)	(558,414)	(555,847)	(639,868)
Loss per share, basic and diluted	—	(0.01)	—	—	(0.01)	(0.01)	—	(0.01)

On a quarter-by-quarter basis the loss can fluctuate significantly due to research & development costs and the timing of stock option grants.

Net loss was significantly higher during the quarter ended October 31, 2023, due to the Company granting 2,675,000 stock options. The fair value of the 2,272,500 stock options, which vested upon grant date, was \$454,921 and was recorded as stock-based compensation. During the quarter ended January 31, 2023, net loss was slightly higher due to the Company recording the fair value of 560,000 vested stock options in the amount of \$210,301. Net loss during the other six quarters was relatively similar.

LIQUIDITY

The Company has not begun commercial sales of any of its technology holdings and accordingly, the Company does not generate cash from operations. The Company finances technology development by raising capital from equity markets. The Company may encounter difficulty sourcing future financing in light of the recent economic downturn.

The Company had cash of \$5,021,957 at January 31, 2024 and \$6,941,288 at January 31, 2023, and the Company had working capital of \$5,008,780 at January 31, 2024 and working capital of \$6,874,986 at January 31, 2023. The Company had \$500,000 in short-term investments at January 31, 2024 and January 31, 2023.

During the nine-month period ending January 31, 2024, the Company received \$nil (2023 – \$30,000) from share subscriptions receivable.

If additional funds are required, the Company plans to raise additional capital primarily through the private placement of its equity securities. Under such circumstances, there is no assurance that the Company will be able to obtain further funds required for the Company's continued working capital requirements. Due to the recovery from the global financial crisis, the Company may find it increasingly difficult to raise the funds required to continue the Company's operations. Share prices have undergone significant decreases and any issuance of the Company's equity securities in the near future may result in substantial dilution to the Company's existing shareholders.

CAPITAL RESOURCES

The Company continues to utilize its cash resources to fund its administrative requirements and product development. As the Company does not currently generate revenue, cash balances will continue to decline as funds are utilized to conduct its operations, unless replenished by capital fundraising. In order to fund the Company's ongoing operational needs, the Company will need funding through equity or debt financing. The Company's operations to date have been financed by the issuance of its common shares. The Company continues to seek capital through various means

including the issuance of equity and debt. While the Company has been successful in raising funds in the past, there is no assurance that it will continue to do so in the future or that it will be available on a timely basis or on terms acceptable to the Company.

The financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. If the Company is unable to obtain sufficient funding, the ability of the Company to meet its obligations as they come due and, accordingly, the ability of the Company to continue as a going concern will be in significant doubt. The Company has incurred \$36,266,180 in losses from inception including a net loss of \$446,791 for the quarter ended January 31, 2024 (2023 - \$683,388) and had working capital of \$5,008,780 at January 31, 2024 (2023 - \$6,874,986).

Operating Activities

The Company used net cash of \$478,604 in operating activities during the quarter ended January 31, 2024 compared to \$380,066 during the quarter ended January 31, 2023.

Financing Activities

The Company used net cash of \$31,872 for financing activities during the quarter ended January 31, 2024 compared to receiving net cash of \$30,000 during the quarter ended January 31, 2023.

Investing Activities

The Company used cash of \$nil for the purchase of property and equipment during the quarters ended January 31, 2024 and January 31, 2023.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Key management consists of directors and officers of the Company. Key management compensation is summarized as follows:

- (a) During the period ended January 31, 2024, the Company incurred consulting fees of \$42,000 (2023 - \$42,000) to the Chief Executive Officer of the Company.
- (b) During the period ended January 31, 2024, the Company incurred consulting fees of \$37,500 (2023 - \$37,500) to the Chief Financial Officer of the Company.
- (c) During the period ended January 31, 2024, the Company incurred consulting fees of \$22,500 (2023 - \$42,000) to a company controlled by the President of the Company.
- (d) During the period ended January 31, 2024, the Company incurred research and development costs of \$37,500 (2023 - \$37,500) to a director of the Company.

PROPOSED TRANSACTIONS

There are no proposed transactions that have not been disclosed herein.

SUBSEQUENT EVENTS

As at March 18, 2024, the date of this MD&A, the Company did not have any subsequent events to report.

ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Company has implemented all new accounting pronouncements that are in effect and that may impact its financial statements and does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash, restricted cash, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest rate, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

During the periods ended January 31, 2024 and 2023, the Company incurred the following expenses:

	Quarter Ended January 31, 2024	Quarter Ended January 31, 2023
Research & Development	\$302,256	\$319,898
Share-based compensation	—	\$210,301
General and administrative costs	\$187,059	\$200,136

An analysis of material components of the Company's general and administrative expenses is disclosed in the unaudited financial statements for the period ended January 31, 2024 to which this MD&A relates.

DISCLOSURE OF OUTSTANDING SHARE DATA

Common Shares

The Company's common shares are listed on the Canadian Securities Exchange. The Company's authorized share capital consists of an unlimited number of common shares without par value. As at March 18, 2024, the Company had 114,144,104 common shares outstanding.

Share Purchase Warrants

As at March 18, 2024, there were no share purchase warrants outstanding.

Stock Options

The Company had 9,700,000 stock options outstanding as at March 18, 2024 which had the following characteristics:

Number of Options	Exercise Price \$	Expiry Date
1,845,000	0.80	September 23, 2024
1,500,000	0.50	May 11, 2025
3,680,000	0.55	December 30, 2026
575,000	0.45	October 3, 2025
2,100,000	0.35	October 3, 2028

RISK FACTORS

Much of the information included in this report includes or is based upon estimates, projections or other forward-looking statements. Such forward-looking statements include any projections or estimates made by the Company and

its management in connection with the Company's business operations. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect the Company's current judgment regarding the direction of its business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein. Except as required by law, the Company undertakes no obligation to update forward-looking statements to reflect events or circumstances occurring after the date of such statements.

Such estimates, projections or other forward-looking statements involve various risks and uncertainties as outlined below. The Company cautions readers of this report that important factors in some cases have affected and, in the future, could materially affect actual results and cause actual results to differ materially from the results expressed in any such estimates, projections or other forward-looking statements. In evaluating the Company, its business and any investment in its business, readers should carefully consider the following factors:

Risks Related to the Company's Business

Because of the unique difficulties and uncertainties inherent in early-stage technology development, the Company faces a high risk of business failure.

Risks and Uncertainties

An investment in the Company involves significant risks and must be considered speculative due to the nature of the Company's business. Investors should carefully consider the risks and uncertainties described below. This list of risks and uncertainties below is not exhaustive. Furthermore, additional risks and uncertainties not presently known to the Company or that the Company believes to be immaterial may also adversely affect Cannabix Technologies' business.

Risks Related to the Company's Business

The Company has a history of operating losses and may never achieve profitability in the future. The Company is an early-stage technology development company; accordingly, it has not yet generated any revenues.

The Company expects to be involved in research and development to create several prototype marijuana and alcohol breathalyzers and then perform extensive trial testing and conduct research studies with such devices prior to determining their commercial viability. This process may take several years and require significant financial resources without income. The Company expects these expenses to result in continuing operating losses for the foreseeable future.

The Company's ability to generate future revenue or achieve profitable operations is largely dependent on its ability to attract the experienced management and know-how to develop a trial tested device and to (perhaps) partner with larger, more established companies in the industry to successfully commercialize a marijuana or alcohol breathalyzer. Successfully developing a marijuana or alcohol breathalyzer into marketable device may take several years and significant financial resources and the Company cannot assure that it can achieve these objectives.

The Company will primarily be in a developing industry and will be subject to all associated regulatory risks.

As a result, the Company's business must be evaluated in light of the problems, delays, uncertainties and complications encountered in connection with establishing a marijuana or alcohol breathalyzer and related business.

There is a possibility that the Company's marijuana or alcohol breathalyzer technologies, currently under development, will be found to be ineffective, that it will be unable to receive necessary regulatory approvals in order to commercialize a device, or that it will obtain regulatory approvals that are too narrow to be commercially viable.

Any failure to successfully develop and obtain regulatory approval for products would have a material adverse effect on the Company's business, financial condition and results of operations.

Trial testing for potential marijuana or alcohol breathalyzer will be expensive and time consuming, and their outcome uncertain.

Before the Company can obtain regulatory approval for the commercial sale of any marijuana or alcohol breathalyzer, it will be required to complete extensive trial testing to demonstrate safety and efficacy. Depending on the exact nature of trial testing, such trials can be expensive and are difficult to design and implement. The testing process is also time-consuming and can often be subject to unexpected delays.

The timing and completion of trial testing (also referred to as ‘clinical testing’ or ‘institutional review board study’) may be subject to significant delays relating to various causes, including: inability to manufacture or obtain sufficient quantities of materials and or test subjects for use in trial testing; delays arising from collaborative partnerships; delays or failures in the technology during the testing period; delays in obtaining regulatory approvals to commence a study, or government intervention to suspend or terminate a study; delays, suspensions or termination of trial testing due to the applicable institutional review board or independent ethics board responsible for overseeing the study to protect research subjects; delays in identifying and reaching agreement on acceptable terms with prospective trial testing sites and subjects; variability in the number and types of subjects available for each study and resulting difficulties in identifying and enrolling subjects who meet trial eligibility criteria; scheduling conflicts; difficulty in maintaining contact with subjects after testing, resulting in incomplete data; unforeseen safety issues or side effects; lack of efficacy during trial testing; reliance on research organizations to conduct trial testing, which may not conduct such trials with good laboratory practices; or other regulatory delays.

Protection of proprietary technology can be unpredictable and costly.

The Company’s success may depend in part upon its ability to defend and maintain granted patents from third parties, be able to maintain the existing patent it has licenced from UFRF as well as successfully file future patents. Obtaining patent protection on current and future patent application filings can be costly and the outcome of any application for such can be unpredictable. In addition, any breach of confidentiality by a third party by premature disclosure may preclude the obtainment of appropriate patent protection, thereby affecting the development and commercial value of the Company’s technology and products.

Competition

The planned business to be carried out by the Company will be highly competitive and involve a high degree of risk. There are several direct and indirect competitors to the Company. In its efforts to achieve its objectives, the Company will compete with other companies that may have greater resources, faster execution to market, and potentially superior technology.

Uninsured or Uninsurable Risk

The Company may become subject to risks against which it cannot insure or against which it may elect not to insure. Settling related liabilities would reduce funds available for core business activities. Settlement of uninsured liabilities could have a material adverse effect on our financial position.

Conflicts of Interest and Disputes

The Company’s directors and officers may currently be involved, or become involved, in other business ventures that compete with our platform and services. Business opportunities for the Company may create circumstances in which outside interests of our directors and officers conflict with the interests of the Company. Furthermore, disputes amongst Directors and officers can occur which can result in material adverse impact on the Company. Directors and officers are required to act in good faith and in a manner that benefits the Company.

It is possible, however, that our directors and officers may owe similar consideration to another organization(s). It is possible that these and other conflicts of interest are resolved in a way that has a material adverse impact on the Company.

Dependence on Key Personnel

The Company depends on support from existing directors and officers and its ability to attract, and retain, new directors, officers and other personnel with appropriate skill sets. Inability to retain key team members or find new professionals to serve in important roles could have a material adverse effect on the Company’s business. There can be no assurance that we will be able to attract or retain the quality of personnel required in the future.

Patent & IP

The Company through its Licence Agreement with UFRF holds certain rights to patented technology. The Company also has filed its own patent applications and been granted patents from both USPTO and CIPO. The Company cannot guarantee its ability financially maintain such patents or patent applications, and or their future commercial viability, use or commercial viability.

Financial Liquidity

The Company has not yet generated any revenue and will likely operate at a loss as it develops its first device. The Company may require additional financing in order to execute our business plan. The Company's ability to secure required financing will depend in part upon on investor perception of our ability to create a successful business. Capital market conditions and other factors beyond our control may also play important roles in our ability to raise capital. The Company can offer no assurance that it will be able to successfully obtain additional financing, or that future financing occurs on terms satisfactory to our management and/or shareholders. If funds are unavailable in the future, or unavailable in the amounts that we feel the business requires, or unavailable on acceptable terms, we may be required to cease operating or modify our business plans in a manner that undermines our ability to achieve our business objectives.

Financial Statements Prepared on Going Concern Basis

The Company's financial statements have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Company's future operations are dependent upon the successful completion of financing and the creation of operations deemed successful according to the standards of our industry. The Company cannot guarantee that it will be successful in obtaining financing in the future or in achieving business objective set forth internally or externally. Our consolidated financial statements may not contain the adjustments relating to carrying values and classification of assets and/or liabilities that would be necessary should the Company be unable to continue as a going concern.

Costs of Maintaining a Public Listing

As a result of obtaining a public listing, the Company will incur greater legal, accounting and other expenses related to regulatory compliance than it would have had it remained a private entity. The Company may also elect to devote greater resources than it otherwise would have on communication and other activities typically considered important by publicly traded companies.

Share Price Volatility and Speculative Nature of Share Ownership

The Company is listed for trading on the CSE, resulting in many legacy shareholders being able to freely trade their shares. Factors both internal and external to the Company may significantly influence the price at which our shares trade, and the volatility of our share price. Quarterly operating results and material developments reported by the Company can, and likely will, influence the price of our shares.

Sentiment toward technology stocks, as well as toward the stock market in general, is among the many external factors that may have a significant impact on the price of the Company's shares. The Company is a relatively young company that is not generating revenue and does not possess significant cash reserves. As such, it should be considered a speculative investment. There is no guarantee that a liquid market will be developed or maintained for the Company's shares.

Public Health Crises

Global or national health concerns, including the outbreak of pandemic or contagious diseases, such as COVID-19, may adversely affect the Company. The Company's business, operations and financial condition could be materially adversely affected by the outbreak of epidemics or pandemics or other health crises. The Company expects to experience some short to medium term negative impacts from the COVID-19 outbreak; however, the extent of such impacts is currently unquantifiable, but may be significant. Such impacts include, with respect to its operations, the ability of the Company to access debt or equity capital on acceptable terms or at all.

Risks Relating to the Company's Common Stock

A decline in the price of the Company's common stock could affect its ability to raise further working capital and adversely impact its ability to continue operations.

A prolonged decline in the price of the Company's common stock could result in a reduction in the liquidity of its common stock and a reduction in its ability to raise capital. Because a significant portion of the Company's operations have been and will be financed through the sale of equity securities, a decline in the price of its common stock could be especially detrimental to the Company's liquidity and its operations. Such reductions may force the Company to reallocate funds from other planned uses and may have a significant negative effect on the Company's business plan and operations, including its ability to develop new products and continue its current operations. If the Company's stock price declines, it can offer no assurance that the Company will be able to raise additional capital or generate funds from operations sufficient to meet its obligations. If the Company is unable to raise sufficient capital in the future, the Company may not be able to have the resources to continue its normal operations.

ADDITIONAL INFORMATION

Additional information about the Company is available on SEDAR at <http://www.sedar.com>.

BOARD APPROVAL

The board of directors of the Company has approved this MD&A.